Daily Report

Latin America

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FBIS-LAT-96-093 *13 May 1996*

CONTENTS

INTER-AMERICAN AFFAIRS

Inter-American Affairs: C.A. Presidents View Tourism *[ACAN]* 1
Inter-American Affairs: C.A. Presidents Meet in Managua *[Managua TV]* 1

CARIBBEAN

Cuba

Cuba: Spokesman Denies Alleged Agent's Assassination Plot *[AFP]* 3
Cuba: Allende Comments on 'Productive' Talks With EU *[Havana TV]* 3
Cuba: Foreign Ministry Denies Breakdown in Talks With EU *[Havana Radio]* 3
Cuba: Reports on Changes in Accords With Russia Rejected *[Havana Radio]* 3
Cuba: Alarcon Describes 'Strong' Friendship With Chile *[Havana Radio]* 4
Cuba: Libyan Official Arrives on Three-Day Visit *[Havana TV]* 4
Cuba: Libyan Foreign Minister Reviews Possible Investments *[Havana Radio]* 4
Cuba: Libyan Foreign Secretary Holds Talks With Robaina *[Tripoli JANA]* 5
Cuba: ANPP President Says Economic Decline Halted *[PRENSA LATINA]* 5
Cuba: Agreement Signed With Slovak Health Ministers *[Havana Radio]* 6
Cuba: Castro Visits Sugarcane Fields in Provinces *[Havana TV]* 6
Cuba: Fidel Castro's Visit Stimulates Holguin *[Havana Radio]* 8
Cuba: Politburo Members' Activities Through 9 May *[Havana Radio, etc.]* 8
Cuba: Correction to CTC Congress Session 29 Apr 9
Cuba: Correction to Ross Comments on Fighting Corruption 10

Dominican Republic

Dominican Republic: Prison Uprising Leaves 11 Dead *[NOTIMEX]* 10
Dominican Republic: Poll Sees Pena Gomez Election Favorite *[AFP]* 10

MEXICO

Mexico: Secretary Cited on Binational Meeting With U.S. *[NOTIMEX]* 12
Mexico: Zedillo Reviews Binational Commission Goals *[LA JORNADA 8 May]* 13
Mexico: Government Takes Offensive Against Cartel *[EL FINANCIERO 6 May]* 14

CENTRAL AMERICA

El Salvador

El Salvador: Death of U.S. Soldiers in Combat Denied *[EL DIARIO DE HOY 8 May]* 17
El Salvador: Argentina's Menem Addresses Congress *[TELAM]* 17
El Salvador: Menem, Calderon Sol Hold News Conference *[San Salvador Radio]* 18
El Salvador: Cooperation Agreements Signed With Argentina *[EL DIARIO DE HOY 10 May]* 21
El Salvador: Menem, Calderon Sol Sign Joint Declaration *[EL DIARIO DE HOY 11 May]* 22
El Salvador: Correction to FMLN Offers Plan 24

Honduras

Honduras: Repression Linked to Argentine Military *[CLARIN 9 May]* 24

Nicaragua

Nicaragua: D. Ortega Registers Candidacy, Outlines Plans *[NOTIMEX]* 25

Panama

Panama: Colombian Envoy Views U.S. Presence at Border *[LA PRENSA 10 May]* 25

Panama: U.S. Soldiers Said Not Controlling Darien *[Panama City TV]* 26
Panama: Southern Command Tests Equipment in Darien *[EL SIGLO 11 May]* 26
Panama: U.S. Envoy Holds Talks on Future of Bases *[EL PANAMA AMERICA 11 May]* 26
Panama: President Freezes All Public Expenditures *[LA PRENSA 9 May]* 27
Panama: Students Block Road To Protest Spending Freeze *[Panama City TV]* 28
Panama: Minister Rejects Guerrilla Presence Along Border *[LA PRENSA 9 May]* 28
Panama: Interview With Argentina's Menem *[LA PRENSA 9 May]* 29
Panama: Argentina's Menem Arrives for Official Visit *[Panama City TV]* 30
Panama: Menem, Perez Balladares Sign Joint Agreements *[Panama City TV]* 31
Panama: Article Details Agreements Signed With Argentina *[LA PRENSA 11 May]* 31
Panama: Argentine President Holds News Conference *[Panama City TV]* 32
Panama: Argentine President Ends 3-Day Official Visit *[ACAN]* 32
Panama: Taiwanese Minister on Support for Development *[LA ESTRELLA DE PANAMA 8 May]* 32
Panama: Veterinarians View Meat Imports From Argentina *[LA PRENSA 11 May]* 33

SOUTH AMERICA

Argentina

Argentina: Menem To Ask Cuba To Suspend Execution *[NOTIMEX]* 34
Argentina: Judge Says Mid-Level Officials Liable for Arms *[CLARIN 10 May]* 34
Argentina: Foreign, Domestic Impact of Arms Scandal Viewed *[CLARIN 5 May]* 34
Argentina: Arms Scandal, Corruption Viewed *[CLARIN 28 Apr]* 36
Argentina: Arms Sales Decrees Under Menem, Alfonsin Listed *[CLARIN 2 May]* 38
Argentina: Di Tella Writes To Falklands Residents *[TELAM]* 39

Brazil

Brazil: Data Sought on Effects of Helms-Burton Law *[Madrid EFE]* 40
Brazil: No Effects Shown 'Thus Far' From Helms-Burton Law *[GAZETA MERCANTIL 9 May]* 40
Brazil: Cardoso Rejects Occupation of Finance Ministry *[Brasilia Radio]* 40
Brazil: Cardoso Signs Decrees Expropriating Land *[Brasilia Radio]* 41
Brazil: PSDB Deputies Criticize Cardoso's Administration *[FOLHA DE SAO PAULO 8 May]* 41
Brazil: Sense of 'Pessimism' Said Prevailing in Economy *[JORNAL DO BRASIL 5 May]* 41
Brazil: Sao Paulo Mayor Views PPB Role in Government *[O GLOBO 6 May]* 42
Brazil: Coalition Not To Influence Local Election *[GAZETA MERCANTIL 7 May]* 44
Brazil: Poll Shows Government Parties Ahead in Sao Paulo *[FOLHA DE SAO PAULO 6 May]* 44
Brazil: PSDB Candidate for Rio Mayor Suggests Alliance *[O GLOBO 6 May]* 45
Brazil: Air Minister on Balance of Forces, Drugs *[REVISTA FORCA AEREA No. 1]* 46
Brazil: Roundup of Economic Reports Through 10 May *[O GLOBO, etc.]* 50

Chile

Chile: Alarcon Denies Links to Murder of UDI Senator *[EL MERCURIO 9 May]* 52
Chile: Alarcon Says Cuba Shows Signs of Economic Recovery *[Madrid EFE]* 53
Chile: Daily on Renewed German Interest in Country *[EL MERCURIO 8 May]* 54
Chile: Defense Minister Rules Out Armed Forces Reduction *[EL MERCURIO 8 May]* 54
Chile: Army Considers Purchasing Belgian, French Tanks *[EL MERCURIO 9 May]* 55
Chile: RN Accepts Formula To Achieve Center-Right Pact *[EL MERCURIO 9 May]* 55

Colombia

Colombia: Group Threatens To Attack U.S. Citizens *[Madrid EFE]* 56
Colombia: Group Declares U.S. Citizens 'Military Targets' *[EL TIEMPO 11 May]* 56

Colombia: Minister Says U.S. Denies Troops at Border *[Santa Fe de Bogota Radio]* 57
Colombia: Reconaissance Planes Said Sent to Border *[Santa Fe de Bogota Radio]* 57
Colombia: Reconnaissance at Border Said Authorized *[Santa Fe de Bogota Radio]* 57
Colombia: Senator Praises Decision on Border Operations *[Santa Fe de Bogota Radio]* 58
Colombia: OAS Secretary General Not To Comment on Border *[Santa Fe de Bogota Radio]* 58
Colombia: Presence of U.S. Troops on Border Ruled Out *[NOTIMEX]* 58
Colombia: Liberal Party Official on Border Decision *[Santa Fe de Bogota Radio]* 59
Colombia: Minister Says Foreign Troops Not Near Border *[Santa Fe de Bogota Radio]* 59
Colombia: Police Commander Confirms 9 Killed in Choco *[Santa Fe de Bogota Radio]* 59
Colombia: Investigator for Prosecutor General Killed *[EL TIEMPO 10 May]* 60
Colombia: Traffickers Said To Fund Gaviria's Kidnapping *[Santa Fe de Bogota Radio]* 61
Colombia: Committee Member Urges Questioning of Gaviria *[Santa Fe de Bogota Radio]* 61
Colombia: Accusations Committee Member on Samper Probe *[Santa Fe de Bogota Radio]* 62
Colombia: Senate President on Repeal of Spending Ceiling *[Santa Fe de Bogota Radio]* 62
Colombia: Magistrate on Plan to Suspend Campaign Ceiling *[Santa Fe de Bogota Radio]* 63
Colombia: CNE To Accept Ruling on Campaign Ceilings *[Santa Fe de Bogota Radio]* 64
Colombia: Prosecutor on Removal of Campaign Ceiling *[Santa Fe de Bogota Radio]* 65
Colombia: Article Reports Samper Unlikely To Resign *[SEMANA 7 May]* 68

Ecuador

Ecuador: General Implicates Argentine Army in Arms Deal *[Quito Radio]* 70
Ecuador: Leoro To Meet Tudela in Buenos Aires *[Quito Radio]* 71
Ecuador: Group To Establish Position on Peru Installed *[Madrid EFE]* 71

Ecuador

Peru: Removal of Argentina as Rio Guarantor Urged *[Madrid EFE]* 72
Peru: Officers Accused of Spying for Ecuador Sentenced *[Madrid EFE]* 72

Inter-American Affairs: C.A. Presidents View Tourism

PA1005224196 Panama City ACAN in Spanish 2034 GMT 9 May 96

[FBIS Translated Text] Montelimar (Nicaragua), 9 May (ACAN-EFE) — The Central American presidents agreed today, Thursday, to "unveil" a group of measures to project to the world an image of the advantages offered by Central America as a unique regional destination for tourism.

In a policy declaration distributed to the media before the signing by some of the presidents that are participating in the 18th Central American Summit, the governments promised to expedite the conditions necessary for the development of tourism in the isthmus.

The two-day presidential meeting, held in the Montelimar tourist center, 65 km southeast of Managua, will conclude this afternoon with the signing of a document and a program of activities to develop tourism in the area.

The final declaration, which was signed by the presidents that attended the meeting, emphasizes that "to strengthen tourist sector, we have decided to make this a priority issue of national and regional interest, and to adopt a program of activities to develop tourism in the Central American countries."

To expedite the conditions necessary for the regional development of tourism, the presidents promised to promote projects to improve the infrastructure, and to establish a modern and appropriate "legal framework."

Moreover, they adopted agreements regarding the education and training of the "human resources" needed for the sustained conservation and handling of "our" environmental and cultural patrimony and to improve environmental quality in Central America.

In addition, the presidents ratified the commitments adopted in the previous meetings, aimed at strengthening and adapting migratory policies and legal measures needed to facilitate the freedom of movement of persons, "a key element in the development of tourism."

In the declaration, the presidents acknowledge that a significant contribution from the private sector is "fundamental" to the development of the tourist industry, "because it constitutes the driving force for the sectors growth and expansions."

In that sense, the Central American presidents asked for the active participation of all sectors of Central American society, and urged them to support government policies aimed at promoting the tourist industry in the region.

"The archaeological, historical, and cultural patrimony; its extraordinary bio-diversity, and its varied and beautiful natural scenery distinguish us internationally and establish Central America as a privileged destination for tourists that has great potential, the presidents emphasized in the document.

According to data provided by the Tourism Ministries, in 1995, tourism in Central America yielded approximately $1.5 million, and in that year more than 2.5 million tourists visited Central America from different parts of the world, mainly from the United States and Europe.

The final declaration was signed by presidents Alvaro Arzu (Guatemala), Carlos Roberto Reina (Honduras), Violeta Chamorro (Nicaragua), Jose Figueres (Costa Rica), and Ernesto Perez Balladares (Panama).

The declaration was also signed by Salvadoran Vice President Enrique Borgo, and Belize's Minister of Tourism and Environment Henry Young.

Inter-American Affairs: C.A. Presidents Meet in Managua

PA1105200296 Managua Sistema Nacional de Television Network in Spanish 0130 GMT 9 May 96

[From the "National Newscast" newscast; passages within quotation marks recorded]

[FBIS Translated Text] A presidents' summit opened today in Montelimar, which showcases a part of Central America's tourism potential. Tourism and sustainable development will be the main subjects to be discussed in this meeting. The Central America immersed in armed conflicts 10 years ago was recalled at the opening.

[Honduran President Carlos Roberto Reina] "Central America was immersed in a struggle that cost us more than 1 million victims, direct and indirect, and that includes dead, disabled, orphans, and the defenseless, billions in losses in infrastructure, and an economic recession brought about by those bitter days in Central America's life."

Now there is a plan whereby tourism, under the sustainable development concept, can show a peaceful and democratic Central America, with freely elected governments. At present, the region shows to visitors all of its cultural development in a climate of peace. In the region, tourism is the second largest source of income and brought in close to $1.2 billion in revenue last year.

[Nicaraguan President Violeta Chamorro] "Now that we live in peace and democracy, tourism is no doubt one of the bases of our future. More than 2.5 million tourists visited the region last year, bringing in more

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than $1.3 billion in revenue, which meant the creation of thousands of jobs. Tourism is now one of the most important bases for the development of the region."

The presidents said that the support of the entire society, in particular the private sector, which has been described as the economic vector, is necessary to stimulate tourism.

[Reina] "We reaffirm the previous summits' commitments to strengthen and make possible emigration policies and instruments that can facilitate the free passage of Central Americans and the possibility of establishing, for Europeans and North Americans, for instance, a visa that can be used for visiting Belize or Panama, Honduras or Costa Rica, Nicaragua or Guatemala."

Honduras recently signed with Argentina a visa-waiving agreement. This type of agreement makes things easier for tourists, Reina said.

According to Panamanian President Ernesto Perez Balladares, easier migration procedures and joint promotions are the most important subjects to be discussed.

[Perez Balladares] "One of the specific things we should do is to eliminate the visa requirement. I wish we could do it in this specific meeting. We should also sign an agreement, which we will try to push, whereby we would put our money in a single fund and in this way promote tourism more efficiently."

German President Roman Herzog also attended the opening. The presidents thanked him for Germany's contributions to Central America. Herzog said Central America occupies a priority position in Germany's cooperation plans.

Honduran President Reina handed over the temporary secretariat to Nicaraguan President Chamorro. Nicaragua will occupy this position until the next Central American presidents' summit.

This afternoon, the presidents agreed to invite visitors to the region in coming months in an effort to stimulate investments.

[Julio Cardenas, Nicaraguan minister of the Presidency] "In this first stage, we discussed the visit schedule. First, the Central American presidents will receive the visit of Chilean President Eduardo Frei, who will come to Costa Rica in July. He comes with several investors interested in investing in Central America and establishing a market for their products. All of the Central American presidents agreed to be present and take several businessmen to Costa Rica on the day of Frei's visit, because it is the businessmen who will bring about the development of our region and who will be in touch with Chilean businessmen. In addition, the governments will facilitate this exchange."

The next visit will be that of the ROK president, who will visit Guatemala, where the Central American presidents will travel to establish investment contacts with ROK.

[Cardenas] "We will start debating Central American subjects tomorrow. The next session will be devoted to the German president, who, after his successful visit to our country, will say that Germany intends to keep cooperating with Central America. In addition, President Herzog will invite all Central American presidents to participate in the Hanover Fair to be held in the year 2000, due in only a few years. Since this is a very important fair, all Central Americans must prepare to be there with our products and businessmen, seeking new markets to develop our economies."

Meanwhile, the Central American presidents continue to hold working sessions. The closing session is expected to open at 1300 tomorrow.

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Cuba

Cuba: Spokesman Denies Alleged Agent's Assassination Plot

PA1105043496 Paris AFP in Spanish 1808 GMT 9 May 96

[FBIS Translated Text] Havana, 9 May (AFP) — The Cuban Foreign Ministry said on Thursday that the case of an alleged agent who claimed he was sent to Miami to assassinate leaders of the anti-Castro Cuban-American National Foundation (FNCA) deserves "no reaction whatsoever."

The FNCA publicly presented Roberto Martin Cabrera, a "rafter," on Monday in Miami. Cabrera claimed he was a Cuban Government agent sent to assassinate Francisco Hernandez, Jorge Mas Canosa, and Ninoska Perez, foremost leaders of the influential anti-Castro right-wing organization.

"If the Foreign Ministry had to comment on and deny the wild ideas or foolish remarks that every Miami fool concocts to satisfy his excessive ego...we would be doing this all the time," spokesman Miguel Alfonso said.

Havana blames ultra-conservative members of the Republican Party and the FNCA of provoking incidents to prevent any understanding between Cuba and the United States and to further obstruct relations between the two governments.

Alfonso said: "We must be prepared for similar incidents in the near future."

"It is part of a series of ideas that certain sectors of the Miami mafia have," he commented.

Cuba: Allende Comments on 'Productive' Talks With EU

PA1105205096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 8 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Reports from Brussels indicate that [words indistinct] have renewed talks today, in an atmosphere of cordiality and respect. Representing Cuba is Vice Foreign Minister Isabel Allende, and Jose Miguel Anacoreta represents the European Union. Both sides coincide in describing the talks as productive.

The talks will continue, on different levels, and issues of other common interests will be broached.

Vice Foreign Minister Isabel Allende clearly expressed Cuba's interests regarding its relations with the EU and stressed the role assigned to the commission in the area of cooperation. The EU reiterated its rejection of the Helms-Burton bill.

Cuba: Foreign Ministry Denies Breakdown in Talks With EU

PA1205044196 Havana Radio Rebelde Network in Spanish 1700 GMT 9 May 96

[From the "National Radio News"]

[FBIS Translated Text] During its regular meeting with domestic and foreign reporters, Foreign Ministry spokesman Miguel Alfonso reiterated that the dialogue between Cuba and the European Union has not been discontinued because the conditions to continue the talks remain favorable.

Alfonso refuted western media reports that affirm the talks between Cuba and the European Union have broken down.

[Begin Alfonso recording] I want to take this opportunity to nip in the bud a series of reports that have been published in international news agencies regarding the breakdown of talks between Cuba and the European Union, and state that our comrade Vice Foreign Minister Isabel Allende, who is in Brussels, is talking with several officials of the European Union. Therefore, any reports of a breakdown in the dialogue between Cuba and the European Union, as rumored by some of the dispatches that we all have seen, would be childish. Isabel, I repeat, is in Brussels, and continues talking with various European Union authorities and the dialogue with the European Union continues despite the fact that some steps, as announced on Thursday, aimed at quickly establishing a cooperation accord, have not been taken yet. [end recording]

Alfonso also affirmed that talks between Cuba and the European Union will continue because both side are willing to continue them.

[Begin Alfonso recording] I want to stress that the dialogue, despite these apocalyptic reports, continues because both side are willing to continue it. A dialogue is not like other things that can be done alone. The dialogue exists because Cuba and the European Union are willing to continue the dialogue. [end recording]

Cuba: Reports on Changes in Accords With Russia Rejected

PA1005194896 Havana Radio Havana Cuba in Spanish 0000 GMT 10 May 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban Government has categorically denied media reports saying Cuba has

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altered agreements with a Russian corporation to receive oil in exchange for sugar.

Foreign Ministry spokesman Miguel Alfonso said in Cuba that the reports are false, adding his country is willing to fulfill the obligations of the accord and the same is expected from the Russian side.

Alfonso noted that the agreement provides for mechanisms and dispositions to solve possible arguments that could erupt during its enforcement.

Furthermore, Alfonso praised the results of the visit paid by the Tartar Republic first vice prime minister to Cuba and announced the upcoming visit of Russian Foreign Minister Yevgeniy Primakov as part of his first tour to Latin America.

Cuba: Alarcon Describes 'Strong' Friendship With Chile

PA1105202996 Havana Radio Rebelde Network in Spanish 1700 GMT 9 May 96

[From the "National Radio News"]

[FBIS Translated Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, is visiting Chile. During the visit he participated in the Socialist Party's congress and met with parliamentarians, businessmen, reporters, authorities, and legal sector representatives in that South American country.

In a telephone interview with reporter Jose Mayo regarding the people of Chile's solidarity with Cuba, Alarcon stated:

[Begin Alarcon recording] I think this has served as a confirmation of the deep affection and sympathy that the people of Chile have toward Cuba. Every day one finds people who remember that Cuba was the country that welcomed and allowed them to take refuge during the period of the dictatorship. People who were able to study and develop themselves in our country are professionals today.

There is very deep sympathy and feelings from all sectors of Chilean people. I think it is something that can bring about great joy to Cubans. It is truly heartwarming to see how sensible and sensibly maintained policies through the [word indistinct] years have been fruitful.

The feelings of friendship are truly strong. [end recording]

Cuba: Libyan Official Arrives on Three-Day Visit

PA1105205896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 11 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Today, Umar Mustafa al-Muntasir, secretary of the People's External Liaison and International Cooperation Bureau of the Socialist People's Libyan Arab Jamahiriyah, arrived in Cuba at the invitation of Cuban Foreign Minister Roberto Robaina. Here is Hilda Prieto with a report:

[Prieto] Cuban Vice Foreign Minister Benigno Perez, Libyan Ambassador to Cuba (Amet Ali Harrud) and members of the Arab diplomatic corps accredited in Cuba greeted the Libyan official. Upon his arrival, Mustafa al-Muntasir said that he was very honored to visit Cuba, a country with which Libya has strong ties of friendship.

[Begin Umar Mustafa al-Muntasir recording, in Arabic with superimposed translation into Spanish] Especially, because both Cuba and Libya are two countries that brandish the flag of the struggle against the imperialistic hegemony. [end recording]

[Prieto] An hour later, Foreign Minister Robaina was welcoming his Libyan counterpart at the installations of the Minrex [Ministry of Foreign Relations] and beginning official talks. Al-Muntasir noted that he was very interested in this discussion of political and economic topics to reach joint agreements. During his three-day visit to Cuba, al-Muntasir will meet with the leaders of the Ministry of Foreign Investment and Economic Cooperation, Public Health, and the National Assembly of the People's Government.

Cuba: Libyan Foreign Minister Reviews Possible Investments

PA1105220096 Havana Radio Rebelde Network in Spanish 1700 GMT 11 May 96

[Report by Ilia Sadinas: from the "National Radio News" newscast]

[FBIS Translated Text] On the second day of his official, friendly visit to Cuba, Libyan Foreign Minister Umar Mustafa al-Muntasir met with Ibrahim Ferradaz, Cuban minister of foreign investment and economic cooperation. During the meeting, both ministers reviewed the possibilities of economic cooperation, exchange, and Libyan capital investments in Cuba in various fields.

In addition, Muntasir and Ferradaz discussed the situation of their respective countries, which are both victims of a blockade imposed by the United States.

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Today, Muntasir will meet with Public Health Minister Carlos Dotres and Jorge Lezcano, vice president of the Foreign Relations Committee of the National Assembly of the People's Government. He will be leaving our country tomorrow.

Cuba: Libyan Foreign Secretary Holds Talks With Robaina

LD1205123796 Tripoli JANA in Arabic 1108 GMT 12 May 96

[FBIS Translated Text] Havana, 12 May — The brother secretary of the General People's Committee for Foreign Liaison and International Cooperation ['Umar Mustafa al-Muntasir] met in Havana with Roberto Robaina, the Cuban foreign affairs minister. Bilateral relations between the two friendly countries were reviewed and discussed during the meeting.

Cuba: ANPP President Says Economic Decline Halted

PA1305031496 Havana PRENSA LATINA in Spanish 2048 GMT 9 May 96

[FBIS Translated Text] Santiago de Chile, 9 May (PL) — Ricardo Alarcon, president of the National Assembly of the People's Government (ANPP) and a member of the Politburo of the Communist Party of Cuba, said here today that Cuba has halted its economic decline and achieved a recovery of 2.7 percent in 1995. He added that Cuba will achieve a growth rate of 5 percent this year despite the tightening of the U.S. blockade.

Alarcon harshly criticized the recently passed Helms-Burton law created to internationalize the embargo against his country but vowed its implementation will not halt the economic recovery Cuba has launched.

Alarcon admitted in a news conference that the Helms-Burton law had been harming Cuba even before its approval, because it caused unfavorable conditions for several foreign investors worried that the United States would impose sanctions upon them for investing and doing business in Cuba. Alarcon believes, however, that if the United States was unable to internationalize the blockade on Cuba with the Torricelli law, promulgated in 1992 as "a last thrust" to destroy the Cuban Revolution in a few months, much less will it be able to achieve its purpose now with the Helms-Burton law in light of the new world situation.

Alarcon said that if Washington failed in its attempt amid the Cold War to muster the support of Western countries behind its economic siege on the island, it would take a huge amount of imagination to believe it will be able at this time to convince those that have become its competitors to do what they did not do when they were its allies.

The truth, Alarcon added, is that foreign investors continue to come to Cuba after President William Clinton promulgated and signed the new law. Only a few days ago, Cuba set up a new, mixed enterprise with Spanish capitals and signed an agreement for the reciprocal promotion and protection of investments with Germany, a country whose influence in the international economy no one can ignore.

Alarcon said that the Cuban economy will continue recovering and that Cuba this year will fulfill its sugar production goal of 4.5 million metric tons, that nickel production will reach an unprecedented volume, that the tourism industry will maintain a considerable growth rate, that agricultural production will continue rising, and that many other sectors will improve.

By the end of the year, he added, we will witness an interesting situation with a Cuba demonstrating its ability to recover and making progress while the U.S. leaders accumulate data that continue to corroborate the failure of their policy of blockade and pressure.

Alarcon recalled that when it comes to analyzing his country's economic performance, people must bear in mind that during its 36 years of existence, the Cuban project has never had, unlike others, the chance to grow freely and without foreign pressure.

Our country, he added, has been doomed to develop in extraordinarily abnormal, adverse, and hostile conditions and amid foreign pressure and actions designed to smother and annihilate it; this is how it was before and how it is now.

The experienced Cuban politician and diplomat said the current U.S. Administration has demonstrated its inconsistency and lack of sobriety toward Cuba and has irresponsibly used the incident of the small planes to adopt a totally unacceptable policy toward the island.

Alarcon exempted the Clinton administration from any responsibility (as an accomplice or a participant) in the provocations that led to the downing of two planes of the anti-Castro organization "Brothers to the Rescue" in Cuban waters on 24 February, but, he added, the deplorable incident occurred, and this very government that had taken actions and seemed eager to put an end to these provocations—we had concrete evidence that it was willing to do everything within its power to avert them—began brandishing this incident as a justification to intensify the blockade and hostility toward Cuba.

On the investigation by the International Civil Aviation Organization (ICAO) into the downing of the small

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planes, Alarcon said the ICAO has been unable to complete the report, because the United States has not submitted all the information requested by this UN organization.

Cuba: Agreement Signed With Slovak Health Ministers

PA1205050296 Havana Radio Havana Cuba in Spanish 0000 GMT 11 May 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Public Health Minister Carlos Dotres and Slovak Health Minister Lubomir Javorsky have signed in Havana a basic agreement on cooperation in the research and the pharmaceuticals industry. Javorsky stated that this is only the beginning of an exchange that they are interested in expanding in the future due to the quality of Cuban scientists and Cuban achievements in the field of medicine. Dotres has added that Cuba is extremely satisfied with the visit of the Slovak delegation and the agreement that was signed by the two countries.

Cuba: Castro Visits Sugarcane Fields in Provinces

PA1005185996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 8 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro continued his visit to several provinces to assess the final stage of the sugarcane harvest. On 5 May he inspected drainage and road projects going on in northern Las Tunas.

On Sunday afternoon, Castro checked the progress of the construction at the Machuca Dam, in Puerto Padre municipality, one of the most important projects among those recommended for the province. The dam, which will control the flood level and irrigation of the sugarcane fields in the area, is being built in record time by Granma's Celia Sanchez and Braulio Curdo contingents. Once completed, the dam will be able to store 7 million cubic meters of water.

[Begin recording] [First unidentified worker] What we save in drainage — the soil died without drainage — makes up for the cost of the dam in a year or year and a half. Otherwise, we will lose a lot. The soil is very rich and already has a very well-built old canal system.

[Castro] When are you going to cut the sugarcane?

[First unidentified worker] We are cutting here and will now get reinforcements from Villa Clara. On Wednesday, we will start over there. Comrades from Villa Clara in charge of the machinery are already here touring the fields.

[Castro] It is important to make sure that we will be able to grind that sugarcane.

[Second unidentified worker] We came to work from Granma, Commander.

[Castro] How long have you been here?

[Second unidentified worker] We have been here less than a month; we arrived on 7 April.

[Castro] This is going to be a quick experience, to be accomplished in 25 days.

[Second unidentified worker] Yes, we came to be sure that the waters will not flood the field.

[Castro] I am happy to see you all here, working on this feat.

[First unidentified worker] Commander, there has been a revolution in just a month.

[Castro] A real war.

[First unidentified worker] A war indeed. We are also keeping our pledge to achieve the sugar plan, Commander.

[Castro] It is very important.

[First unidentified worker] The sky must fail to stop us from achieving the sugar plan. [laughs]

[Castro] Congratulations.

[First unidentified worker] I wish you health so that you can continue to lead us. Thanks, Commander. [end recording]

Also on Sunday afternoon, the commander in chief met in Las Tunas with members of the provincial politburo, the sugar directorate council, directors of the agro-industrial complexes [CAI], and other cadres involved in the harvest's final stage, to review the progress of the sugarcane campaign's construction projects.

During the meeting, Fidel highlighted the decisive importance of Las Tunas to achieving the country's harvest's goal, when there is a considerable volume of sugarcane still to be milled in the province.

Participants also discussed the measures to be implemented to guarantee the completion of the agricultural jobs in the sugarcane sector in time and with the required quality, the strategy to recover from delays caused by rains, the situation of the sugarcane Basic Cooperative Production Units, the balance of support

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for Las Tunas by workers of other provinces, and the progress of drainage and communication projects.

[Begin Castro recording] The whole country follows your progress. You have a big responsibility. We are not going to ask you to do the impossible, but we expect that you do as much as you can. People have shown enthusiasm everywhere. You must cut all the sugarcane; it will be a moral victory. You do not need to achieve a certain amount — a meaningless number — but you do need to get all the sugarcane. No sugarcane must be left in the field, except the cane that will be used to plant.

I see you working and fighting; I see the enthusiasm of the people. Truly, if the people can cut all the sugarcane this year, we have the possibility of meeting the plan. Everyone will be proud of the efforts made. This is what is important. Notice that enthusiasm was the first thing during these difficult times to progress. [end recording]

On 6 May, these same topics were discussed during a similar meeting held in Holguin Province, as its contribution to this harvest's final stage is also a key factor to allow the country to meet the sugar plan.

[Begin Castro recording] You know perfectly well what to do. I have nothing to tell you. You must keep spirits up, of course. You must struggle to reach the amount of sugar that we need, tending the sugarcane, milling all the sugarcane, procuring high sugar yield and recovery, seeking reinforcement — even from workers in the place in need of help, helping each other in the factories, with the machines and so for, with spare parts. This can be done. [end recording]

On Monday afternoon, Castro visited the factory of the 60th Anniversary of the October Revolution factory in Holguin, at which he learned about progress on the construction of the new model of KTP-3 combine — of which there are already two prototypes being tested, and the work on the KTP-2M combines, which were updated from the KTP-2 combines.

[Begin Castro recording] An embrace, a kiss, and all the world's love and admiration. [applause] [end recording]

At the 26 July agricultural machinery and implements factory, also in Holguin, the commander in chief was informed about the programs to build Impact 411 rice harvesters and the restoration of tractors to be used in the agricultural sector, which are being carried on at this plant.

Fidel also visited the central control room at the Urbano Noris CAI, which achieved its sugar production plan, in Urbano Noris municipality, Holguin. He received a thorough report on the plant's automated control system, one of the most advanced in the country.

Also in Holguin, the commander in chief visited sugarcane fields, at which he observed the performance of the new prototypes of KTP-3S combines and spoke with reporters.

Fidel Castro checked the KTP-3S cutting tests in the fields of the Carlos Noris number 5 of the Rafael Freyre CAI. Their superior productivity demands that these tests be conducted in fields with a high yield of arrobas per caballeria.

[Begin recording] [Unidentified reporter] Commander, in this harvest's final stage, what are the best lessons learned from this campaign?

[Castro] There are many lessons. Some must be studied further. I believe that there have been some mistakes, because there were delays at one CAI. Let's tell the truth. This caused complications for the province, because that CAI is one of the largest, and one or one and a half months were lost.

We also confirmed that there must be more time for the sugar harvest, a lesson that we already knew. Mechanization was one of the big advances in this harvest.

[Unidentified reporter] You have said that this harvest had not only economic but also political implications. Now that we are in the harvest's final stage, do you believe that we have gained, politically speaking?

[Castro] I meant that at least 2 million people live off the sugar industry. It is not just a matter of figuring out how many arrobas and metric tons are produced or how much money is made. Other sectors in the future will make more profits. One day tourism might produce more gross profits than sugarcane. However, 2 million people live off and love sugarcane. It is a country's tradition that people cherish. When a CAI stops, when there is not milling for any reason, a funereal atmosphere develops.

People suffer terribly during the harvest, but once the CAI starts working again, as happened this year, people everywhere are happy. This is the work that people love, they are in love with their CAI.

When you think about this, you realize that a large part of the Cuban people receive a salary and are employed by the sugarcane sector. Also, their work is becoming more interesting, now that there will be communications and automation. In addition, there are machines, factories, and industries derived from the sugarcane sector. Paper, wood, medicine, and even PPG (a drug in medicine) are made from sugarcane. Many other things can be produced from sugarcane such as honey, energy, food, and more. [words indistinct], then the cattle appear. Therefore, you cannot see it all from

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an economic standpoint. You must realize that millions of people live off and are dedicated and in love with the sector. [end recording]

The struggle to host the 26 July national central ceremony was also broached during the interview.

[Begin recording] [Castro] All I can tell you is that this year's struggle has been the biggest ever. It was somewhat predictable in the past. But the struggle is tight now. I can see that Sancti Spiritus and Holguin are two provinces putting up a tougher fight. [end recording]

Cuba: Fidel Castro's Visit Stimulates Holguin

PA1205045996 Havana Radio Rebelde Network in Spanish 1700 GMT 9 May 96

[From the "National Radio News"]

[FBIS Translated Text] The certainty that Holguin Province will turn in the pledged 500,000 metric tons of sugar — and then some — this year has grown today in wake of Fidel's stimulating tour of the province's sugarcane fields and complexes. The exemplary attitude of the men and women who are participating in the harvest was witnessed by the head of the Revolution, during his visit to the front line of these historic economic maneuvers that are laced with revolutionary actions. Such is the case of those mobilized in Rafael Freyre Municipality, who, with their hammocks and backpacks under trees near the sugarcane fields, strive to quickly supply their mill with raw materials. Such dedication is also evident in the collective response given by the workers at the Nicaragua Sugarcane Complex, in Banes Municipality, who are today eliminating over 20 days worth of delays caused by rain and lack of equipment.

As our leader stated in the ceremony held at the Urbano Norris Sugar Complex, Holguin's response in this last leg of the harvest will also be decisive to the entire country.

[Begin recording] [First unidentified speaker] I assure you we will come through! We must win this battle!

[Second unidentified speaker] Yes, to the death! Of course, we will achieve this!

[Third unidentified speaker] I think we must do everything correctly.

[Fourth unidentified speaker] There is no turning back now. We must continue forward, winning each battle and the war! [end recording]

This was the patriotic response from the sugar workers and all the people in Holguin to Fidel's call, during the last leg of the sugar harvest.

Cuba: Politburo Members' Activities Through 9 May

PA1005222996

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 9 May.

Pedro Ross Leal was ratified as secretary general during the CTC Congress. (Havana Radio Rebelde Network in Spanish 1700 GMT 1 May 96)

Carlos Lage was interviewed at Plaza de la Revolucion, where he commented favorably on the 1 May parade, saying it was very impressive and the largest in many years in which the people expressed their support for the revolution. (Havana Radio Rebelde Network in Spanish 1700 GMT 1 May 96)

Roberto Robaina was interviewed during the 1 May parade, where he said that the event showed what the people were experiencing and that the people outdid themselves. (Havana Radio Rebelde Network in Spanish 1700 GMT 1 May 96)

Roberto Robaina congratulated the Radio Havana Cuba workers for the station's 35th anniversary. He said the station's merit has been the broadcasting of the message of the revolution to every corner of the world and that the station is the best of ambassadors. (Havana Radio Havana Cuba in Spanish 0000 GMT 3 May 96)

Nelson Torres visited Villa Clara Province, in particular sites where the sugarcane harvest has become difficult because of the heavy rains, which has kept the province from reaching its sugarcane processing goal. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 4 May 96)

Esteban Lazo and Osmany Cienfuegos attended a ceremony where the Copacabana Hotel received the National Vanguard Flag for obtaining a net profit of $2 million and reported 85-percent room occupation in 1995. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 4 May 96)

Ricardo Alarcon greeted the Communist Party of Chile's 15th Congress saying Cubans have a socialist conviction and strongly believe this doctrine improves man's lot. (Havana Radio Havana Cuba in Spanish 1400 GMT 5 May 96)

Alfredo Jordan comments that Santiago de Cuba province is close to being the first to exceed its own honey production record. He said that changes in apiculture, such as better organization, have made it possible to expand the honey production potential.

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(Havana Radio Rebelde Network in Spanish 1700 GMT 4 May 96)

Yadira Garcia Vera commended Matanzas Province for its determined battle during the sugarcane harvest. (Havana Radio Rebelde Network in Spanish 1700 GMT 4 May 96)

Alfredo Hondal Gonzalez, on Sunday showed interest in other agricultural projects in the Ciego de Avila Province, such as hydroponics and the potato- raising project. (Havana Radio Rebelde Network in Spanish 1700 GMT 6 May 96)

Osmany Cienfuegos Gorriaran yesterday attended the inauguration ceremony of 140 hotel rooms corresponding to the first stage of the construction of the Villa Vigia Hotel in Ciego de Avila Province. (Havana Radio Rebelde Network in Spanish 1700 GMT 6 May 96)

Carlos Lage Davila, accompanied by Yadira Garcia Vera, said in Matanzas that the final stage of the sugarcane harvest is the cleaning and preparing of the cane fields for the next harvest. (Havana Radio Rebelde Network in Spanish 1700 GMT 6 May 96)

Alfredo Jordan reported in a working a session in Santiago de Cuba that Cuba had a record potato crop of 7.5 million quintals. (Havana Tele Rebelde and Cubavision in Spanish 0000 GMT 7 May 96)

Ricardo Alarcon De Quesada met today with Chilean Foreign Minister Jose Miguel Insulza during Alarcon's visit to Chile. (Havana Tele Rebelde and Cubavision in Spanish 0000 GMT 9 May 96)

Alfredo Jordan has confirmed the recovery of the coffee-growing area of Maisi Municipality during a visit to Guantanamo Province. (Havana Tele Rebelde and Cubavision in Spanish 0000 GMT 9 May 96)

General Ulises Rosales Del Toro and Esteban Lazo Hernandez, have awarded CTC (Cuban Workers Federation) labor excellence banners to FAR (Revolutionary Armed Forces) and EJT (Youth Labor Army) groups for their efforts in harvesting of over 2 million quintals of potatoes. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 6 May 96)

Cuba: Correction to CTC Congress Session 29 Apr

PA0205173496

The following correction pertains to the item headlined "Cuba: CTC Congress Session Held 29 Apr," published in the 2 May Latin America DAILY REPORT, pages 2-5:

Page 2, column one, first paragraph, make subslug read: [Proceedings of the 17th Cuban Workers Federation (CTC) Congress at the Havana Convention Center on 29 April — recorded] (rewording subslug)

Same page, first paragraph, first sentence make read: [FBIS Summary] The 215 minutes of available coverage opens with Pedro Ross Leal, CTC secretary general and congress moderator, announcing the resumption of... (rewording, correcting time of available coverage);

Same page, third paragraph, second sentence make read: ...a volunteer basis. [new paragraph]

Ross says: "I made a suggestion to Martito: I told him that these workers have been linked to the cane fields [vinculados a la cana] for 20 years and that they move on to other farming activities when the harvest ends. Why, then, do they not form a basic cooperative production unit [UBPC]? They could have an exemplary UBPC. They are afraid of severing their link [desvincularse] with their work center even though for the past 26 years they visit their work center only once in a while when they are able to. Now they can take advantage of the benefits of the UBPC without severing their links with their work center." Ross goes on to praise the workers on their efforts. [new paragraph]

Martito responds: "I'll tell you why: The macheteros are afraid of forming a UBPC because they would lose their link [vinculo] with the work center and at the same time would lose benefits." [new paragraph]

Ross reiterates that the workers would receive UBPC benefits and that they should be convinced of this. [new paragraph]

Delegate Luis Enrique... (supplying additional material on UBPC concerns);

Page 3, column one, last paragraph, fourth sentence make read: ...with the Sugar Industry Ministry, nickel plants... (correcting name of ministry);

Same page, column two, paragraph five, first sentence make read: ...that 350cc motorcycles, among other types of motorcyles, are being manufactured... (clearing words indistinct); and

Page 5, column two, first paragraph, only sentence make read: ...26 July festivities [new paragraph]

At 0339 GMT, Castro and Salverio Reyes Verdecia, director of Santiago de Cuba's First Eastern Front Contingent operating in Ciego de Avila Province, discuss agricultural production and pricing at the farmers markets. Castro recognizes the need for workers to understand the difference between socialist and capitalist economies and hails socialism as the force that has kept the Cubans' feet firmly planted in the ground.

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At 0410 GMT, TV coverage of congress proceedings continues. Technical difficulties prevent further editorial summarization of the proceedings from this point onward. (correcting GMT time, name of speaker, supplying additional material)

Cuba: Correction to Ross Comments on Fighting Corruption

PA0205204496

The following correction pertains to the item headlined "Cuba: Ross Leal Comments on Fighting Corruption," published in the 30 April Latin America DAILY REPORT, pages 15-16:

Page 16, column one, paragraph six, first sentence make read: ..."We have very good comrades, but we also have people who have become corrupt, who go bad for just $4 that are not worth anything, for $4. One hundred dollars buy 100 Coca Colas that are not worth a thing. The moral values... (rewording, adding dropped sentence)

Dominican Republic

Dominican Republic: Prison Uprising Leaves 11 Dead

PA1205035896 Mexico City NOTIMEX in Spanish 0213 GMT 12 May 96

[FBIS Translated Text] Santo Domingo, 11 May (NOTIMEX) — Prison authorities said that today's uprising at the Dominican prison of San Cristobal, 30 km south of Santo Domingo, resulted in 11 dead inmates and at least 50 injured.

The Dominican Commission for the Defense of Human Rights has blamed the uprising on overcrowded prison conditions.

The convicts who rebelled were demanding to be sent back to the La Victoria prison, General Director of Prisons Bernardo Santana Paez has stated.

Medical sources have stated that none of the victims showed bullet wounds. They only had knife wounds, and the injured only suffered burns.

The Army, which has taken control of the San Cristobal prison, which has an inmate population of 600, has confirmed that the situation is under control and has claimed no responsibility for the deaths and injuries.

After the uprising, which occurs barely four days prior to scheduled Dominican elections, Armed Forces State Secretary Ivan Vargas Cespedes released a communique guaranteeing to maintain peace and public order.

This commitment ensures security during the electoral period, which will end with the upcoming 16 May elections. Analysts, however, believe that runoff elections may be necessary to decide who will be the next Dominican president.

Dominican Republic: Poll Sees Pena Gomez Election Favorite

PA0905201896 Paris AFP in Spanish 1647 GMT 8 May 96

[FBIS Translated Text] Santo Domingo, 8 May (AFP) — Presidential candidate Francisco Pena Gomez, a social democrat, has 46 percent of the vote, according to the most recent survey conducted by the Gallup firm, which was published in Santo Domingo on 8 May. He will, however, need more than 50 percent of the vote to win the Dominican presidential elections in the first round on 16 May.

The Gallup survey showed that Pena Gomez, of the Dominican Revolutionary Party (PRD), increased three points in the voters' preference, clearly surpassing center-right candidate Leonel Fernandez, of the Dominican Liberation Party (PLD), who has maintained 37 percent of the votes.

According to Gallup, Vice President Jacinto Peynado, candidate for the ruling Social Christian Reformist Party (PRSC), President Balaguer's party, is in the third place, and has dropped from 20 to 15 percent.

If none of the candidates receive more than 50 percent of the valid votes in the 16 May elections, a second round of elections would be held 30 June between the two leading candidates. That, according to observers, could be disastrous for Pena Gomez.

Most analysts in Santo Domingo believe that Pena Gomez will not surpass 50 percent of the valid votes. Balaguer critics contend that during the 45-day lapse between the first and second round of elections the initial results could trigger a political crisis that could paralyze the process.

Opponents of the elderly and authoritarian president, who is almost 89 years old, believe that Balaguer could take advantage of the crisis to stay in power for two more years.

Speculations that Balaguer could try to remain in power have increased during the past few days based on his political campaign, not precisely in favor of Peynado, but directly promoting his own political image as president, according to his critics and analysts.

This is the first time there will be two rounds of presidential elections in the Dominican Republic, where voters have no experience in the closed college system [sistema del Colegio cerrado], which calls for the

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registration of voters before voting the same day and at the same center in which they cast their ballots.

The Dominican Republic, which has almost 8 million inhabitants and 3.75 million voters, shares with Haiti the Caribbean island of Hispaniola, located at a short distance from Cuba.

On 8 May, Cesar Estrella Sadhal, president of the Central Electoral Board (JCE), reiterated guarantees that elections will be clean and that the JCE will not hesitate to proclaim the victory of the candidate who wins the elections.

Thirty five years after the death of dictator Rafael Leonidas Trujillo (1930-61) and after a much more peaceful campaign than previous ones, these presidential elections are viewed as decisive, because they will mark the end of the Balaguer era.

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Mexico: Secretary Cited on Binational Meeting With U.S.

PA1205235296 Mexico City NOTIMEX in Spanish 2030 GMT 12 May 96

[FBIS Translated Text] New York, 12 May (NOTIMEX) — Mexican Foreign Secretary Jose Angel Gurria has said the Mexico-U.S. meeting that concluded last week is an "example" that proves the two countries must create new channels of communication to discuss common problems.

"This is the most intensive border relationship in the world and the only one of its kind between a developed county and a developing country. We must not blame the free trade agreement for not solving all our bilateral problems, nor can we expect this," he has said.

The United States, Mexico, and Canada signed the agreement in January 1994, and, according to Gurria, "it works very well" despite his country's economic crisis. "The free trade agreement does not represent, however, the whole bilateral relationship," he added.

The Mexican foreign secretary talked with NEWSWEEK reporters at the conclusion of the Mexico-U.S. 13th Binational Commission Annual Meeting that met in the Mexican capital for two days last week and led to the signing of 11 new agreements.

Gurria also has said the training of Mexican soldiers in the United States for common missions, including the struggle against drug trafficking, will strengthen his country's sovereignty.

"This is 1996; the world has changed. International cooperation must improve in the struggle against drug traffickers, who are like international corporations. We have fallen behind in this regard," the Mexican official has said.

"If, as our president has said, drug trafficking is the number one threat to our national security, we must evaluate our capability to combat it. One sees what one does not have and the ways to get it," he has said.

"This will strengthen our sovereignty," Gurria added.

Experts from the two countries must sponsor an active program to exchange information and experience on prevention programs to reduce the illegal demand for drugs, all based on the agreements reached during the binational meeting.

In Mexico City on 7 May, Attorney General Antonio Lozano Gracia and his U.S. counterpart, Janet Reno, also ratified a bilateral pledge to implement a cooperation program against illegal drug trafficking.

Gurria has told NEWSWEEK: On the migration issue, Mexico and the United States achieved progress during the bilateral forum, because the two countries evaluated the problem from the binational viewpoint for the first time.

"Conflictive, national views have always existed, and, therefore, there has been no common approach," he has said, explaining that a complete, binational report from experts will be available next year and will deal with important issues such as costs and benefits.

"No one has considered the benefits before, even though they certainly exist. For example, California's agriculture is still competitive due to the (cheap) migrant work force," the Mexican foreign secretary has said.

Within the achievements reached in the recent binational forum, Mexico and the United States agreed, through a "Memorandum of Understanding," to protect the human rights, dignity, and physical integrity of Mexican and U.S. citizens at their common border.

Referring to the United States' aid package to Mexico, Gurria has said time has proved that U.S. President William Clinton has acted correctly by supporting the stabilization of his country and other new markets. He has denied the U.S. Government had ever established provisions for the delivery of the $20 billion.

Gurria has said that the financial package will not cost U.S. taxpayers one single cent, that Mexico has reimbursed between $2 billion and $3 billion, and that Mexico will not use the entire $20 billion.

Commenting on the attitude adopted by ultra-conservative U.S. commentator Patrick Buchanan regarding Mexico, the Mexican foreign secretary has said: "It annoys us and irritates us but does not surprise us."

"Nevertheless, the attitudes adopted by certain individuals in the U.S. Congress have actually surprised us," he has said, not giving names. For example, the approval of a new immigration law in the United States that effects both legal and illegal migrants and the manner in which it was linked with terrorism "will only worsen the current anti-immigrant attitude," he has said.

The interview with Foreign Secretary Gurria will appear in the next Latin American edition of the magazine that will begin circulating in that region on 13 May.

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Mexico: Zedillo Reviews Binational Commission Goals

PA1105155096 Mexico City LA JORNADA in Spanish 8 May 96 p 9

[Report by Ricardo Aleman Aleman]

[FBIS Translated Text] President Ernesto Zedillo has called relations between Mexico and the United States "a continous challenge to the imagination," demanding a balance of the present with the future; combining active and efficient cooperation with respect to the customs and feelings of each country, adding that the best proof of maturity in relations is "not to let pass what offends and hurts each country, but to find the best bilateral solutions."

Zedillo attended the signing of accords at the 13th Binational Commission Meeting. At the meeting, U.S. State Secretary Warren Christopher said that bilateral relations "were the most firm and fair ever enjoyed by both countries."

Chistopher took the opportunity to praise the economic policies (disciplined) adopted by Zedillo's government, "which placed Mexico on the road to long-term economic reform." Additionally, Christopher said that the political reforms, "which are bold, help construct stronger and more dynamic democratic institutions that promote a more open Mexican society."

Delegations from both countries participating in the Binational Commission went to Adolfo Lopez Mateos de Los Pinos to sign accords, letters of intent, and memoranda emerging from the bilateral talks. Zedillo referred to two particular topics there: Immigration and the fight against drug trafficking. Despite the delicate issues, Zedillo said: "We are aware that our relations cannot end over these issues."

With regard to the first topic on immigration, Zedillo pointed out that the difficulties and complexity of the immigration issues between both countries "demand continuous attention and cooperation to prevent incidents, as well as clear-cut and firm actions toward those who violate human rights, make profit from peoples' helplesness, or injure the dignity of people on both sides of the border."

Zedillo noted that Mexico is aware of the U.S. Federal Government's stand, which rejects and punishes any violation of human or labor rights or the dignity of the Mexicans crossing the border. "Mexicans are aware that U.S. authorities know that Mexico does not want to interfere in the implementation of their laws and that the nation will always exercise its right to protect its citizens in the framework and with the instruments of international rights," said Zedillo.

Regarding drug trafficking, the Mexican president said he was satisfied that instruments of bilateral cooperation to fight drug trafficking have been bolstered, especially through the creation of the so-called High Level Contact Group [Grupo de Contacto de Alto Nivel]. "This new mechanism of cooperation will allow us to intensify the fight against drug trafficking with facts, not words; with the force of cooperation, not recriminations; with full respect for each nation, including society, and strengthening international action," he said.

President Zedillo said he was also pleased that both delegations had done their best to "find solutions that respect the sovereignty and interests of each nation; that respect the human rights and dignity of the people; that strengthen the security of our cities; and that protect the health of our people."

In an extensive speech, which merited a translation for the entire U.S. delegation — while Warren Christopher's English was translated to Spanish for only three of the Mexican officials — Zedillo explained the basic lines that sustain the relationship between both countries: "It must always be based on respect, friendship, and the legitimate desire to obtain mutual benefits; requiring constructive participation by state and local governments as well as the border communities, and this demands the attention and proposals of social organizations, experts, and public opinion."

Later, the president highlighted the importance of dialogue, to sit down at a table of mutual acceptance so as to speak of matters of reciprocal interest. "It is an encouraging moment to see that we are moving along to have the mechanisms and capacity for dialogue that will allow us to face the unexpected and respond appropriately to what is unacceptable and take advantage, as Mr. Christopher pointed out yesterday, of the important cultural, social, and economic contribution that leads to a pluralistic society."

It is essential to look toward the future, insisted President Zedillo, especially to build a better groundwork so that sensitive topics on the bilateral agenda, such as migration and drug trafficking, become less and less a source of tension.

As far as President Zedillo is concerned, the best proof of the maturity of Mexico-U.S. relations "is not to overlook what offends and hurts one country or the other, but to find the best bilateral solutions to advance toward coexistence, which is increasingly respectful, harmonious, and productive."

The president stressed that the signing of the Memorandum of Understanding on Consular Protection between

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Mexico and the United States "establishes specific obligations to protect the personal safety of migrants; to seek effective respect for human rights and dignity; and thus to make the protective action of the consulates easier."

The relationship between the two countries, the president said, "is a constant challenge to the imagination, which demands having to balance what takes place now and what may take place in the future, plus combining active and efficient cooperation with respect to the customs and feelings of our peoples."

This morning President Ernesto Zedillo swore in the new board of directors of the Mexico City Architects Association. He told them that during the first quarter of 1996 actual investment in the construction sector reached 8.804 billion pesos, which is practically 36 percent higher, in real terms, than the first quarter of 1995.

Ernesto Zedillo concluded that, according to various indicators, the construction industry is beginning a gradual recovery.

Mexico: Government Takes Offensive Against Cartel

PA0905214496 Mexico City EL FINANCIERO in Spanish 6 May 96 pp 44, 45

[First of several installments of report by Miguel Badillo and Miguel Angel Ortega]

[FBIS Translated Text] The latest "recommendations" given by the United States to the Mexican Government were made by DEA Administrator Thomas Constantine during his visit to Mexico in late April when he pointed out that Amado Carrillo Fuentes, capo of the Juarez Cartel, is the leading drug trafficker which Mexican authorities should now arrest.

This action against the Juarez Cartel coordinated by the National Counternarcotics Institute (INCD) and carried out along the border by soldiers assigned to the Attorney General's Office [PGR] is being taken at a moment of tension between Mexico and the United States caused by mutual accusations of concealing and protecting drug trafficking and money *laundering*.

Moreover, in the 13th Binational U.S.-Mexico Meeting which begins on Monday in Mexico City, one of the 16 working groups will discuss Legal Issues and Anti-Drug Cooperation and heated debates are expected because it will discuss problems regarding drug trafficking and money *laundering* in Mexico, which are considered national security issues by the United States.

Mexican intelligence reports have revealed the structure, until now unknown, of the Juarez Cartel, which the authorities commissioned by the PGR will try to combat in keeping with the new presidential plan to fight drugs.

Led by drug traffickers Amado Carrillo Fuentes, Rafael Munoz Talavera (recently released in Hermosillo), and Pedro Lupercio Serratos, this drug cartel has reduced its presence in Chihuahua and in recent months has moved its operations to Sonora, Tamaulipas, and Nuevo Leon.

The reason for this move are the Chihuahua Group's operations which began late in 1995 when 70 soldiers, between the ages of 23 and 26, were assigned to the PGR delegation to combat drug trafficking.

Joined by 50 federal policemen recently graduated from the INCD, the Chihuahua Group is an experimental militarization plan developed in Los Pinos following President Zedillo's instructions, under the coordination of the PGR and the Defense and Government Secretariats.

Zedillo's plan will be implemented throughout the country under the premise that young soldiers are loyal to the institutions and will not be easy prey to corruption by drug traffickers.

Hernan Rivera, the new PGR delegate in Chihuahua, explains that the joint PGR and Defense Secretariat project is under the command of the military, coordinated by the artillery's Lieutenant Colonel Socrates Alfredo Herrera Pegueros, who is licensed by the General Staff. Herrera Pegueros is currently the 1st Commander of the Federal Judicial Police in Chihuahua.

With this military project, Rivera says "we have managed to end corruption in 90 percent of the ranks of the PGR in Chihuahua for which reason the drug traffickers that operated in the zone have had to abandon the area and move to other states."

"The information we have from members of the Federal Judicial Police is that Amado Carrillo is currently not in the state. He is a person regarding whom there is much speculation, but nobody really knows where he is," Rivera said.

This new combination of policemen and soldiers has as its objective offensive operations along the border against the entire structure of the cartel led by Amado Carrillo, including his Colombian supplier-partners belonging to the Cali Cartel.

Operation "Wilfredo"

In the list of the drug traffickers and *money launderers*, which took the PRG and the Finance Secretariat a number of years of investigation to complete, appear prominent Juarez businessmen, public accountants, lawyers,

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former commanders and policemen, *money launderers*, and drug traffickers. As part of an initiative known as Operation "Wilfredo," finance ministry and judicial authorities in charge of investigating money *laundering* and drug trafficking continue investigating important gas and milk companies which belong to the cousins Miguel and Pedro Zaragosa Fuentes, "owners of half the city of Juarez," as one interviewed businessman put it.

These Juarez industrialists have been singled out and are being investigated by the PGR and the Finance Ministry for tax fraud and *laundering* money for the Amado Carrillo gang.

According to official documents in EL FINANCIERO's possession, the INCD, subordinate to the PGR, received "by instructions from its superiors" on 27 February 1996, previous investigation No. 4016 FEPFB 95 sent by the Finance and Public Credit Secretariat, against Rafael Munoz Talavera, Benjamin Borja Rodriguez, and Martina Parra Munoz, all members of the Juarez Cartel and charged with money *laundering*.

On 18 September 1995, the decision not to continue criminal proceedings against the alleged drug traffickers was made. However, three months ago, on 12 February 1996, the charges of the Finance Ministry returned with precise instructions to be sent to the INCD headed by new commissioner Francisco Molina Ruiz, a native of Chihuahua, who has firsthand knowledge of the drug trafficking problems of the state to such a degree that during his term as prosecutor in Chihuahua he argued that 30 tons of drugs passed from the Ciudad Juarez to El Paso, Texas, and that $200 million returned to Mexico from that city in Texas each week.

Interested in the investigation of the Zaragoza family for alleged involvement in money *laundering*, the new INCD administration concentrated all information regarding the businessmen in Ciudad Juarez that are identified as the leading milk producers in the country and owners of the largest gas company, a company whose gas tanks cross South America, through Central America and Mexico, and reach as far as the United States and Canada.

The INCD has keep open the previous investigation No. 615 DGI 93 which says that the DEA accuses him of drug trafficking, possession of weapons, money *laundering*, and criminal association.

However, during the three years that the investigation against the milk magnate has continued, the PGR has been unable to prove these accusations, therefore, it has not sent the file bearing on the case to an appropriate judge. Facing the PGR's lack of evidence, the only arrest warrant that has been issued against Pedro Zaragoza Fuentes has been for tax fraud, a plaint issued by the Finance Secretariat, which led this prominent milk industrialist to seek refuge in the United States, thus eluding the "federal justice" action, and at this moment, with amparos interposed, Pedro Zaragosa resides in Ciudad Juarez.

Of the 32 amparos introduce by this businessman, 30 have been decided in his favor, and only two more must be decided. Moreover, of the 23 properties and assets seized by the PGR, 21 have been restored to him, and there remains only a decision to be taken by a judge regarding two properties.

The Finance and Public Credit and the INCD is carefully investigating the case of Miguel Zaragoza Fuentes, the owner of one of the gas companies whose trucks cross the continent, some of which have been stopped on U.S. highways loaded with cocaine, for allegedly being responsible for money laundering, fiscal fraud, and conspiracy , as well as for being the accomplice of Amado Carrillo Fuentes and Rafael Munoz Talavera.

In Operation "Wilfrido", in which the PGR and SHCP authorities participate jointly, the main target is Amado Carrillo Fuentes.

Carrillo Fuentes is still the "Lord of the Skies", a nickname which he earned when he got the Colombian cocaine business to fly over a large part of Mexican territory with the complicity of policemen, soldiers, politicians, and businessmen, despite media campaigns that define him as having a low profile and even leave him out of Ciudad Juarez Cartel. Interviews with PGR officials, commanders, and soldiers, reveal that the intention of the Zedillo administration is to capture the ringleaders of the Mexican mafia pointed out by the United States. Among the most outstanding ringleaders are Amado Carrillo Fuentes and Rafael Munoz Talavera, whom the administration wants to deport to the United States, to run the same luck as Gulf Cartel capo Juan Garcia Abrego. Garcia Abrego was arrested in Mexico and sent to the United States where he is awaiting trial.

The U.S. demand that Mexico turn over the drug cartel bosses operating in Mexico is based on the fact that the drug traffickers operating along the border have bought, through bribes, U.S. citizenship, which makes possible their extradition even though they are Mexican citizens.

Amado Carrillo: Arrest Warrant

Lt. Col. Socrates Alfredo Herrera Peguerros, commander in chief of the PJF [Federal Judicial Police] in Chihuahua, who responds to the password "Yanqui", says: "If I were face to face with Amado Carrillo, I would arrest him."

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The PJF acts according to orders and if we run across and individual who has a warrant issued against him, we will do everything humanly possibly to arrest him, no matter what the price is. In Amado Carrillo's case, only one arrest warrant has been issued and that is for carrying an illegal weapon," Herrera adds.

Despite being the Chief of the Ciudad Juarez Cartel, the PGR has no evidence linking the "Lord of the Skies" with drug trafficking, money *laundering*, and other crimes.

A high-ranking PGR official, who asked to remain anonymous, said that Amado Carrillo "is a very astute person who has managed to erase all legal evidence against him. At this moment it would be better not to arrest him because it would be embarrassing to have to release him because of lack of evidence."

Socrates Herrera criticized the release of Rafael Talavera at the beginning of the year by a federal judge and believes it is a "very discouraging" incident in the fight against the Mexican mafia.

In the specific case of Munoz Talavera, the responsibility lies in the justice system which does its work and establishes it criteria. "Certainly, that is why Munoz Talavera is free at this moment," Socrates Herrera said.

The 1st commander of operations of the PJF Major Felipe Perez Cruz, with special license from the Military Police, agrees that the release of Munoz Talavera from a Hermosillo jail is "very discouraging" to the fight against drug trafficking in Chihuahua because he is one of the most important members of the Ciudad Juarez Cartel.

Perez Cruz adds that the war against drug trafficking in Chihuahua is an constant battle "because in a state this large, which is infested with marijuana and poppy crops, despite the efforts of the Army and the PGR, illegal crops are still found in every reconnaissance flight anywhere in the state."

The problem of the planting of illegal crops, added to the cocaine traffic from Colombia, had its origins in the 1980's when drug traffickers such as Amado Carrillo, Pablo Acosta, Rafael Aguilar Guajardo, and Rafael Munoz Talavera.

The problem in Chihuahua is so severe that commander Perez believes that a *narcoculture* does exist and a defense of drug trafficking. "If society does not support the efforts of the military and judicial authorities, we could be a Colombianized cartel."

The Juarez Cartel on the Inside

Amado Carrillo Fuentes

Colombian Supplier Partners:

Rodrigo Murillo
Santiago Hernandez Lozano
William Valentin Capo
Alfredo Valentin Capo
Ricardo Morales McTaque
Victor McTaque
James Romero McTaque
Sonia Tapia Rodiguez
Hector Tapia Anchondo
Carlos Tapia Ponce
Mario Tapia Molina
Carlos Tapia Anchondo
Victor Caro Lujan
Rafael Munoz Talavera (released three months ago)
Rafael Aguilar Guajardo (deceased)
Guillermo de la Riva Duran
Francisco Leon Gallegos
Alberto Rivapalacio Martinez
Mario Sanchez Santillana
Javier Montanez
Cuauhtemoc Rubio Mendez
C.P. Rene Magallanes Gonzalez
Manuel Martinez Gonzalez
Ruben Escobar Gomez
Pedro Granados Morales
C.P. Pedro Terrazas
Maria Ivonne Delgado Varela
Eduardo Munoz Talavera
Raul Munoz Talavera
Gilberto Ontiveros Lucero alias El Grenas (jailed at Almoloya)
Elias Ramirez Ruiz (former Federal Judicial Police)
Baldomero Fuentes Garcia
Amparo Solis
Martina Parra Munoz (investigated for money laundering)
Zaragoza Family (investigated for money laundering)
Raul Amazan Tabuenca
Benjamin Borja Rodriguez (investigated for money laundering)
Lucio Cano Barraza
Rodolfo Quevedo Gallardo
Pedro Lupercio Serratos

Source: INCD

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El Salvador

El Salvador: Death of U.S. Soldiers in Combat Denied

PA1205165496 San Salvador EL DIARIO DE HOY in Spanish 8 May 96 p 106

[Report by Pedro Rodriguez Castro]

[FBIS Translated Text] Defense Minister General Jaime Guzman Morales pointed out that the 21 U.S. soldiers who died during the 12-year war in El Salvador were not killed in combat as has been reported.

The high-ranking military officer explained that one U.S. officer was ambushed at the Catholic University, three marines were gunned down in the so-called Red Zone district in Colonia San Benito and the others were killed while at military installations that were attacked by guerrillas, such as the 4th Infantry Brigade in El Paraiso, Chalatenango.

According to international news agencies, the Pentagon recently paid posthumous military tribute to 21 soldiers "killed in action," and awarded commendations and medals to 50 other "veterans" of the Salvadoran war.

The news agencies report that the U.S. Government decided to amend the records of the role it played during the armed conflict by disclosing that 21 of the 5,000 soldiers sent to El Salvador between 1981 and 1992 had been killed in action, a fact of the secret war waged by the Pentagon against the insurgency in Central America.

Nevertheless, Gen. Guzman Morales refuted the reports and pointed out that U.S. soldiers had not been sent to take part in combat but had lost their lives during ambushes carried out by the FMLN [Farabundo Marti National Liberation Front].

Disciplinary Measures for Soldiers

With respect to the case involving active and former military personnel who have decided to join criminal groups and are in possession of illegal weapons exclusively purchased for the use of the Armed Forces, the Defense Minister stressed that the law must be applied to everyone, since these are not unusual cases.

Such is the case of the group of armed criminals disarmed recently by the Criminal Investigation Division, DIC, in Caluco and Izalco, in Sonsonate, and whose members are all former soldiers.

There is also the case of Army Major Julio Joya who was captured in San Pedro Pertulapan, Cuscatlan, with an M-16 rifle abd two magazines, 274 rounds of ammunition, for the rifle. In addition, the major was also carrying a smoke grenade and an M-67 fragmentation grenade, four camouflage uniforms, five berets, a compass, boots, all of which were for the exclusive use of the Armed Forces.

Gen. Guzman Morales pointed out that soldiers are only allowed to carry regulation weapons, which are duly authorized.

He added that any unauthorized weapon found on military personnel while not on official duty will be seized, and the soldier will in turn have to respond before the appropriate judicial authorities and the Army. In cases such as these, sanctions can even include a dishonorable discharge.

According to the military officer there is no such thing as a former soldier, only individuals who have served their time in the Army and are currently civilians.

On the other hand, the Defense Minister referred to the war weapons seized from civilians that are being received at the military barracks and said that individuals who decide to voluntarily turn in their weapons will not face any charges.

He also said that there are thousands of assorted illegal weapons in the hands of the civilian population.

The minister took part in the events commemorating Soldiers Day at the installations of the former Military Academy.

El Salvador: Argentina's Menem Addresses Congress

PY1005134296 Buenos Aires TELAM in Spanish 2200 GMT 9 May 96

[Report by TELAM special correspondent Alberto Emaldi in El Salvador]

[FBIS Translated Text] San Salvador, 9 May (TELAM) — President Carlos Menem confirmed here today Argentina's will to strengthen peace processes in the Americas and commended the efforts made by the Salvadoran Government to achieve the current climate of peace that reigns in this country following 12 years of an internecine war in which 70,000 people died.

In a speech delivered to a joint session of Congress in El Salvador, Menem expressed his admiration "for the peace process concluded by El Salvador following so many years of civil war."

The head of state pointed out: "Being here with the representatives of the Salvadoran people — a people who could find the path towards lasting peace through dialogue and understanding and by leaving differences aside — is, for me, a dream come true."

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The chief executive declared: "I have always taken a keen interest in the situation in Central America, particularly that in this beloved country, and I greatly rejoiced when you managed to achieve peace by means of a process which has now been concluded."

Addressing congressmen, Menem confirmed "Argentina's unceasing vocation for strengthening all peace processes in the western hemisphere." The president argued: "I am paying tribute and homage to the courageous Salvadoran people not only on my behalf, but also in the name of the Argentine people."

Later in his address, Menem quoted "my master, [former President] General Juan Domingo Peron, who used to say that he preferred small countries inhabited by noble men to large countries inhabited by foolish men."

"El Salvador is a small country having few, but noble, gallant, and above all honorable inhabitants, who are real fighters," he added.

Menem then brought up the reform that the Argentine Government has been implementing since 1989. He pointed out: "After that political, economic, and social transformation, Argentina managed to return to the fold of the world's leading nations."

The president briefly summarized his administration's achievements, among which he mentioned the constitutional reform that "permitted to modernize institutions and institute a new standard of living in Argentina."

Salvadoran Congress President Gloria Salguero Gross extolled President Menem, describing him as "a notable statesman."

Salguero Gross described Menem's presence in El Salvador as "an event of historic significance; and it constitutes the first visit by an Argentine president to our country."

Salguero Gross expressed: "As a woman, I want to congratulate President Menem for the women's participation, not only theoretical but practical, in Argentine political activities."

The Argentine president ended his two-day official visit to El Salvador today. He will pursue his tour of various Central American countries by visiting Panama on 10 May.

Menem's activities on the last day of his visit to El Salvador began very early, when he dedicated the Republica Argentina Square in downtown San Salvador.

During the ceremony, Menem unveiled a statue of [Argentine liberator] General Jose de San Martin, whom he described "as one of the great men of our Americas who gave us the example that all our nations must follow."

The president donated school supplies and a flag for the Republica Argentina school ceremonies, chatted with the Republica Argentina school students, and congratulated the San Salvador mayor "on the beautiful site selected for this square."

After hosting a banquet for his Salvadoran counterpart, Armando Calderon Sol, Menem signed various agreements of bilateral interest on the afternoon of 9 May.

Early on the morning of 10 May Menem will leave for Panama where he will pursue his tour of Central American countries, which he began in Honduras on 6 May.

El Salvador: Menem, Calderon Sol Hold News Conference

PA1105180596 San Salvador Radio Nacional de El Salvador Network in Spanish 2345 GMT 9 May 96

[News conference by President Armando Calderon Sol and Argentine President Carlos Menem with local and foreign reporters and Presidency Secretary Francisco Imendia as moderator in San Salvador — live]

[FBIS Translated Text] [Imendia] Good afternoon. You know the rules: One question at a time per medium. Please give your name and the name of the president to whom the question is addressed. First, the question from Teleprensa Television.

[Salguero] Good afternoon, Mr. President of Argentina and Mr. President of the Republic. Saul Salguero of Teleprensa Television, Channel 33. My question is as follows: What trade agreements will Argentina have with El Salvador after this visit? Is there a possibility of a free trade agreement between the two countries?

[Menem] If you closely read the joint declaration, you will see there is an enormous possibility of establishing agreements between our countries in every sector — the political sector, obviously, the economic sector, and the social sector — and strengthening our bilateral relations.

There is also a firm possibility that, following the 25 June summit, the Mercosur [Common Market of the South] plenary session in the Republic of Argentina, we will have news on what I have been proposing and stating for quite some time, meaning the need to quickly advance toward the creation of a free trade zone — all over the continent, of course — according to the proposal of the Americas.

Furthermore, I reassert the possibility of creating a free trade zone, establishing the appropriate categories,

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between Mercosur countries and the Central American countries. We will work on this from now on to quickly advance on the issue.

[Imendia] Oscar Avelar asks a question on behalf of Canal Cuatro Television. No, Canal Cuatro Television is not here today. Avidio Segovia of Radio Cadena YSKL.

[Segovia] Good afternoon, Messrs. Presidents. President Menem, we know Argentina created a miracle in seven years, the Argentine miracle, but the indexes we have here are at a macro-economic level. Why is the labor sector afraid of unemployment while it is said that privatization is the salvation for our countries?

[Menem] Well, I do not believe the labor sector in Argentina is afraid of changes. The process, the miracle you mention is not a miracle. There are no miracles in the economy, only decisions and work. It is a result of the labor sector's active participation in the privatization process in Argentina. We would have been unable to quickly achieve progress at the macroeconomic level, or at the microeconomic level, either, without that sector. The employees and the workers helped us.

There were approximately 10 general strikes during the previous administration and during other administrations. There were 13 general strikes. We have only had one, and it was a relative failure. I would call it a total failure. There is no fear, either among the workers or in the government, of continuing to advance on this issue. Unemployment indexes are going down and, in addition, the poverty index has gone down substantially in Argentina — from 37 percent in 1989 to 13 percent or less nowadays.

[Imendia] David Barraza, of NBC network, asks a question.

[Barraza] Good afternoon, President Menem. Could you confirm if you actually asked the ruling party's deputies in your country to withdraw their charges against your defense minister?

[Menem] Please repeat the question.

[Barraza] We wanted to know if you could confirm that you actually asked the ruling party's deputies to withdraw their charges against your defense minister.

[Menem] No, I did not. [laughs] I requested absolutely nothing. My parties' deputies believed that this was not the time to file the charges you mention, but the defense minister will be questioned next week, or the next. He will certainly be questioned, you can rest assured of that.

[Imendia] We now have Fatima Nolen of ATC Television Channel Seven in Argentina.

[Nolen] Good afternoon, President Calderon Sol. Good afternoon, President Menem. President Calderon Sol, I wish to know how El Salvador's modernization is being carried out and whether the social price it could exact can hamper the normal fulfillment of the peace accords. In adition, I would like to hear what you expect from President Carlos Saul Menem's visit. If the president wishes to comment, we will be glad to listen to him, too.

[Calderon Sol] Thanks. The modernization process in progress in El Salvador moves forward mightily into the next century by privatizing the government-run enterprises that have historically been deficient. El Salvador is being transformed. I am glad we have attained peace and democracy, as everyone knows. We think this transformation is necessary.

As President Menem said, we are convinced that this modernization process seeks the contribution of workers and all Salvadorans in general. We believe that the participation of everyone in these enterprises is vital and necessary.

Nevertheless, the idea is not to deprive the working class of participation in these benefits. Quite the contrary. The idea is to make them participate in the benefits by urging them to invest in these enterprises. Their protection funds should also be invested in so the population can be prompted to save more. This is precisely what we are doing. We want to learn from the good experiences of countries like Argentina, which have demonstrated modernity by preparing to receive the new century under different circumstances. This is what we are doing here in El Salvador.

We expect to continue to be successful, enjoy understanding, and dispel the genuine doubts of some sectors. I think that by seeking such a consensus we can be accepted in political circles. I think President Menem's presence is historic. This is the first time an Argentine president has visited El Salvador.

Central America knows it has received a president who is opening his country's arms and linking, not only Argentina, but the entire Southern Cone and Mercosur, with Central America. These commercial regions seek America's full integration. I think this is the vision of this new world that is arriving and that of the new century about to be ushered in.

We believe this is the correct vision. We thank President Menem for his friendly visit and cooperation, as well as for the signing of these historic agreements that bring Central America, in particular El Salvador, not only closer to Argentina, but to the entire southern region as well.

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[Menem] Well, I think my fellow president has already said all that had to be said on the subject. This has been a truly successful visit, which will prove beneficial for the two countries and regions. But it would be well, dear journalist, to remark that there are many Argentine enterprises in El Salvador, which are busy building roads and have won bids for generating energy.

These enterprises enjoy a considerable edge over other enterprises that come to El Salvador. These enterprises make joint ventures with Salvadoran enterprises and not only contribute modern technology but leave this technology in the country so the Salvadoran people can also grow in a fundamental area.

This is why I think that, as the result of these agreements and this joint statement — and President Calderon Sol is right about that — we have established a historic landmark, when we compare El Salvador and the Central American region before this visit and El Salvador and the Central America region after this visit.

My visit to El Salvador and the Central American region is not only significant because I am a president, but also because this is the first time a representative of Argentina is visiting this beloved Republic of El Salvador.

[Imendia] Now we have Javier Najarro of Maya Vision.

[Najarro] Mr. President Calderon Sol, I would like you to tell us, in your own words, about a small part of the declaration you have signed, to accompany this report on the news conference.

[Calderon Sol] I appreciate your question, but the joint declaration is very long, as you can readily see, and all of you will receive copies of the entire declaration. It is a declaration that encompasses all aspects and agreements dealing with economic and commercial cooperation. This joint declaration is a recognition of sister country Guatemala and President Alvaro Arzu for the successes in the peace negotiations that Guatemala is carrying out. There are a series of points that you will be able see in this very long declaration, which will be handed out to you right now.

[Imendia] In a few minutes we will distribute to you copies of this joint declaration. Now there is a question by Milagros Vallecidos of Canal Doce Television.

[Vallecidos] A few minutes ago you basically said that your defense minister will be summoned next week, or the exact date is not known. He said in statements to the press that his political future will depend on the president of the Republic of Argentina. Now my question to you is: What political future can your defense minister expect?

[Menem] I want to tell you that I have been in politics for a long time. I have made a name for myself and based on this name, I have created my own style of government. Faced with these types of situations, I do not allow comments by the media or my political adversaries to influence my actions. When cases such as this one are subjected to — at the president's request — administrative and judicial investigations, what is left is to await the results of these investigations before taking any measures.

It would be very unjust to sentence someone based solely on remarks by the media or my political adversaries. In addition, if I did this, I would be violating clear constitutional regulations, which are not only valid in Argentina, but also throughout the civilized world: A person is presumed innocent until proven guilty. This is what the defense minister meant to say.

[Unidentified reporter] [Words indistinct]

[Menem] But of course. If there was any violation whatsoever of current Argentine laws in this case — an accusation that has not been proven yet and is simply based on speculation — the culprits would have to be punished for their wrongdoing, regardless of whom they are. However, I reiterate: There is no evidence that we sold weapons to Ecuador or Croatia, as has been argued recently. The evidence is being presented to clarify this case with the corresponding authorities. We will wait for the judicial and administrative authorities to dictate a ruling and, based on this, we will pronounce our opinion in this regard. I will not admit any culpability in a case of this magnitude until the corresponding decision has been made.

[Imendia] Here is (Alberto Emaldi) of TELAM-Argentina. Is he here?

[(Emaldi)] Good afternoon, Messrs. Presidents. I have a question for President Menem. We learned that you have met with some representatives of Salvadoran political parties. We want to know what were the results and what subjects were discussed in these meetings.

[Menem] The results were excellent and as I said this morning — before the Legislative Assembly — the progress made by Salvadorans after 12 years of fratricidal war is admirable.

It is remarkable how the men and women who fought in that war have been able to totally reconcile their interests for the sake of a higher interest: Their country's welfare. We discussed these topics, and we have talked about the progress made vis-a-vis the agreements signed in Chapultepec and, in short, all of those aspects that help strengthen democracy, freedom, peace, justice, and respect for human rights.

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[Imendia] This is the end of the news conference. Many thanks, Messrs. Presidents.

[Unidentified reporter] I would like to ask whether Mercosur [Common Market of the South] has set up a front to advance the fight against drug trafficking. I would also like to ask you: Is it true that Ecuador has said that it will not cooperate in any manner whatsoever with an Argentine prosecutor who is in that country investigating the sale of weapons?

[Menem] Concerning the fight against drug trafficking and organized crime, fostered by rebel movements and money laundering, Mercosur members have obviously set up a front and signed agreements in this regard. I would even go so far as to say that practically all members of the Latin American region have signed agreements to advance the fight against drug traffiking. We have a total agreement that we must fight, with all the weapons at hand, this true scourge, which threatens many regions of the world, particularly, many Latin American countries.

What the Ecuadoran defense minister said is that no military officer has examined weapons in Argentina, thus totally denying what several media have disclosed in my country. In addition, the media disclosed the name of one of the alleged intermediaries in the sale of weapons and this alleged intermediary — concocted by the media or by several Argentine media — turned himself in to the judicial authorities and denied any link with this matter.

In other words, the media fabricated a long and twisted story, and we must wait for the judicial authorities to dictate their ruling.

Once a decision is reached, we will be inflexible, if it is confirmed that the situation being investigated did truly take place.

[Unidentified reporter] I have a REUTER dispatch here with me. REUTER has published that your wife, Zulema Yoma....

[Menem, interrupting] I am very sorry, but I do not discuss private matters.

[Imendia] Mr. President.

[Calderon Sol] Messrs. reporters: I very much thank you for your coverage of this event and your attendance. I believe the coverage of this unprecedented visit by President Carlos Saul Menem is very significant for El Salvador and the Central American region, and this news coverage by all the media was quite satisfactory. On behalf of the Salvadoran people, I thank the Argentine reporters and the international and local media. Many thanks.

El Salvador: Cooperation Agreements Signed With Argentina

PA1105215796 San Salvador EL DIARIO DE HOY in Spanish 10 May 96 p 3

[Report by Claudia Duarte and Pedro Rodriguez]

[FBIS Translated Text] Yesterday, President Armando Calderon Sol and Argentine President Carlos Menem signed three cooperation agreements and a joint statement.

Last night, the Argentine president, who stayed in the country for two days, signed with Armando Calderon Sol, his Salvadoran counterpart, cooperation agreements, which are expected to enter into force as soon as possible. Concerning free trade with the member countries of Mercosur [Common Market of the South], a relevant project is expected to be discussed at the Summit of Presidents on 25 June.

President Carlos Menem said that in the joint statement, the signatories stated the possibility of reaching agreements, which will include all the political, economic and social aspects of the two countries. He stressed that "these agreements will strengthen bilateral relations."

The statement established that the two governments deem suitable economic cooperation and an increase in the trade between the two countries. In addition, they are planning to set up cooperation mechanisms and implement actions that will promote investment and trade.

The presidents deem it necessary to begin, in the short term, the negotiations to lift prohibitions on the entry of animal and vegetable products between the two countries.

Considering the progress made by Argentina in the fight against the hoof-and-mouth disease, President Menem and President Calderon Sol pledged to sign an animal health agreement and a plant and animal health agreement at the bilateral level. President Menem even urged the Salvadoran Government to send technical personnel to Argentina.

This statement includes a pledge to step up cooperation in the aspects of prevention and repression in the fight against drug trafficking and the illegal use of narcotics.

In addition, the governments of the two countries signed three agreements to strengthen economic, diplomatic, tourist, cultural, and scientific relations.

The first agreement, the "Agreement for the Reciprocal Promotion and Protection of Investments," seeks to boost economic cooperation and maintain favorable

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conditions to promote and protect investments through the laws of the two countries.

The agreement dubbed "Cooperation in the Education of Human Resources to Prevent the Illegal Use and Repress the Illegal Traffic of Drugs" emphasizes that it is necessary to coordinate efforts to implement programs to counter the production and the illegal traffic of narcotics.

It also includes cooperation in the training of people to prepare professionals in the area of health and treatments, as well as making the police forces and community leaders more efficient.

The agreement on tourist cooperation will enable the two countries to establish closer ties and strengthen cooperation for tourist development so as to contribute to increasing the flow of tourists between the two nations.

This agreement includes the exchange of technical information on programs and tourist projects; availability of training plans; scholarships and technical courses on professional training; and the exchange and promotion of programs to foster relations among private tourism companies.

A joint commission of officials and experts tasked with its implementation, will promote this agreement.

Concerning the fight against drug trafficking and organized crime accompanied by subversive movements and money laundering, Menem noted that the members of Mercosur have set up a front and signed an agreement to fight, with all their weapons, the scourge that looms over many Latin American countries.

El Salvador: Menem, Calderon Sol Sign Joint Declaration

PA1205042596 San Salvador EL DIARIO DE HOY in Spanish 11 May 96 p 40, 41

[Joint declaration signed by Salvadoran President Armando Calderon Sol and Argentine President Carlos Menem in San Salvador on 9 May]

[FBIS Translated Text] At the cordial invitation of Salvadoran President Doctor Armando Calderon Sol, Argentine President Doctor Carlos Saul Menem made his first official visit to El Salvador on 8 to 9 May 1996 during the first tour of Central America by an Argentine president.

President Menem was accompanied by a high-level delegation and a party of prominent Argentine businessmen.

President Menem and his delegation were warmly received by President Calderon Sol as well as by prominent personalities of the Salvadoran private enterprise and, in a climate of frank cordiality, the presidents discussed bilateral relations and other topics of regional and world interest. At the end of the conversations, they signed the following:

Joint Declaration

1. The presidents expressed their commitment to representative democracy and the full validity of human rights.

2. In the area of Latin American integration, President Calderon Sol and President Menem stated it would be advisable to strengthen political, economic, and social relations between the Central American Integration System (SICA) and the Common Market of the South (Mercosur).

3. The presidents were especially pleased with the positive development of the Salvadoran institutional process following the signing of the peace accords, an example for the world of resolve and commitment to peace, freedom, and reconciliation.

They also concurred that these advances show the firm and unalterable commitment of the Salvadoran people and government to the construction of a democratic and participatory country, which is incorporating all sectors of Salvadoran society without discrimination.

4. In this sense, President Menem expressed his full recognition of the Salvadoran people and government for consolidating peace in El Salvador as well as for the efforts to fulfill the peace accords.

5. On his part, President Calderon Sol thanked the Argentine president for his resolute support for the Salvadoran peace process which was provided as member of the Group of Support for the Contadora Group, in forming the UN Observer Group in Central America (ONUCA), and in the participation of a group of Argentine observers in the UN Observer Mission in El Salvador (ONUSAL).

6. They expressed their congratulations and their most resolute support to Guatemalan President Alvaro Arzu Irigoyen and the noble Guatemalan people for the signing of the "Agreement on Socioeconomic Aspects and the Agrarian Situation," which constitutes a significant step toward a firm and lasting peace, an essential condition for the nation's sustainable development, the well-being of its people, and the promotion of the process of regional integration.

7. They reiterated their decision to continue supporting the UN efforts and actions on behalf of international

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peace and security through the participation of the peace missions of the world's highest organization. In this regard, the Argentine president offered the Salvadoran president the opportunity for Salvadoran officers to participate in the Argentine contingents involved in missions for the maintenance of peace.

8. The presidents reiterated the commitment made, within the framework of the OAS, to support the process to restructure the organization so that it can face the challenges that are periodically incorporated into the regional agenda. Within this context, they noted the importance that beginning in January, the reform introduced into the OAS charter through the Managua protocol went into effect, as a result of which the Inter-American Council for Integrated Development (CIDI) was established.

9. The two presidents recognized that the hemisphere's democratization and the profound transformations in the international arena have created the necessary foundations to advance in the reformulation of the security relations in the region, on the basis of systems of cooperation and integration.

In this context, they broadly backed the activities that the OAS is developing in the promotion of the dialogue on topics of hemispheric security and they stressed the progress achieved with regard to the adoption and implementation of measures to strengthen mutual confidence. They also stressed the importance of continuing the efforts in this area which led to the approval on 9 November 1995 of the Santiago Declaration, contributing in this way, to strengthen institutional stability and the peaceful tradition of the hemisphere.

10. The two presidents pledged to increase cooperation in the area of prevention and repression that Argentina and El Salvador provide each other in the area of the struggle against drug trafficking and the illegal use of narcotics. With that objective, they decided to continue, with renewed spirit, to provide each other with support and cooperation so as to give an efficient response to the challenge that the drug-trafficking activity represents to their respective societies. In this sense, they expressed their satisfaction with the signing of the Cooperation Agreement for the Training of Human Resources in the Prevention of the Illegal Use and the Repression of the Illegal Trafficking of Narcotics and Psychotropic Substances, an agreement that was signed by the Salvadoran Commission Against Drugs and the Argentine Programming Secretariat for the Prevention of Drug Addiction and the Struggle Against Drug Trafficking.

They also decided to intensify and coordinate their actions in the appropriate international organizations as well as to support the programs that these organizations finance to train personnel.

11. On the subject of money laundering, the presidents expressed their satisfaction with the results achieved at the ministerial conference concerning this activity and the instruments used for this crime held within the framework of the Summit of the Americas in Buenos Aires on 30 November-2 December 1995, as well as the actions and recommendations approved in the Buenos Aires declaration by the governments of the countries in this hemisphere.

12. Both presidents expressed their satisfaction for the results of the OAS Specialized Conference recently held in Caracas (27 to 29 March) and particularly stressed the adoption in the region of the inter-American convention against corruption, an instrument that once implemented will facilitate cooperation among the parties in the struggle against corruption.

13. The presidents expressed their satisfaction over the results achieved at the OAS Specialized Conference on Terrorism held in Lima, Peru, from 23 to 26 April 1996 in complying with the action plan of the Summit of the Americas of December 1994.

14. The Governments of Argentina and El Salvador believe it is necessary to increase economic cooperation and trade between both countries.

They expressed their support to the establishment of mechanisms of cooperation and the implementation of actions aimed at promoting trade and investment. Those actions will contribute to the identification and development of new opportunities, by cooperating in the organization of promotional events, seminars, exhibitions, and through new projects from the private sector.

They recognized that trade and private investment play a crucial role in developing the economy and therefore expressed their satisfaction over the signing of an agreement for the reciprocal promotion and protection of investments.

15. In reviewing commercial relations between Argentina and El Salvador, the presidents stressed the importance of strengthening and further developing those relations. President Calderon Sol pointed out to President Menem the need to increase the export of Salvadoran products to Mercosur [Market of the South].

In that regard, President Menem will transmit to the other Mercosur members for their consideration President Calderon Sol's request to give Salvadoran coffee preferential access.

16. At President Calderon Sol's request, President Menem will propose to his Mercosur counterparts the

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beginning of negotiations for a partial-scope agreement with El Salvador.

17. The governments of Argentina and El Salvador deem it necessary to initiate as soon as possible negotiations aimed at eliminating the prohibition preventing the entrance of animal and vegetable products between both countries.

Taking into consideration Argentina's achievements in its struggle against the hoof and mouth disease, and the fact that President Menem has reported the absence of that disease since 27 April 1994, the presidents agreed to sign a bilateral animal-sanitary agreement. Toward that end, President Menem invited the Salvadoran Government to send experts to the Republic of Argentina.

In addition, both presidents agreed to sign a botanical-sanitary agreement.

18. The two presidents stressed the achievements in technical cooperation between the two countries, particularly highlighting the actions within the framework of the "Argentine Fund for Horizontal Cooperation [Fondo Argentino de Cooperacion Horizontal — FO-AR]."

With the participation of Argentine experts and professionals, this fund covered various areas, including agro-industry, cattle raising, education, justice, human rights, transportation, energy, social development, and state reform.

In this sense, the Salvadoran president thanked his Argentine counterpart for the technical cooperation received through the 47 projects that have been carried out and the 11 projects currently being implemented.

19. The chiefs of state expressed the importance of fomenting tourism between El Salvador and Argentina, expressing their satisfaction with the signing of the technical cooperation agreement in the area of tourism between the two countries.

20. The Argentine claim over the Malvinas, Georgia, and Sandwich del Sur islands and the surrounding maritime areas has received the important and traditional support of the Salvadoran Government. Argentina greatly values and is grateful for the support given every year within the framework of the OAS.

The Republics of Argentina and El Salvador urged that negotiations between Great Britain and Argentina be renewed so as to find as soon as possible a peaceful solution to the dispute over sovereignty.

Upon concluding his visit, Argentine President Dr. Carlos S. Menem, on his behalf and that of his distinguished companions, expressed his sincere and deep gratitude for the warm hospitality they were accorded by the Salvadoran people and government during their stay; at the same time, he formulated a cordial invitation to President Calderon Sol to make an official visit to Argentina at a date that will be set at the opportune time.

[Dated] San Salvador, 9 May 1996

[Signed] Armando Calderon Sol, Carlos Saul Menem

El Salvador: Correction to FMLN Offers Plan

PA3004142796

The following correction pertains to the item headlined "El Salvador: FMLN Offers Plan for National Development," published in the 30 April Latin America DAILY REPORT, pages 23-26:

Page 23, column one, make subslug read: [Paid ad by El Salvador's Farabundo Marti National Liberation Front (FMLN); place and date not given: "The FMLN's Plan to Achieve a Productive Economy and Human Development in El Salvador, But for Real!"] (correcting country name and rewording)

Honduras

Honduras: Repression Linked to Argentine Military

PY1005145396 Buenos Aires CLARIN in Spanish 9 May 96 p 6

[Article by unidentified special correspondent]

[FBIS Translated Text] San Salvador — Before leaving Honduras for El Salvador on 8 May, President Carlos Menem committed himself to supply information and "**absolutely not hide anything**" on the Argentine military and paramilitary officers who supplied advisory services to their Honduran colleagues during the Honduran repression in the 1980's.

Using the occasion of Menem's visit, the Honduran national commissioner for the protection of human rights **again reported** the cooperation of at least 13 Argentine citizens — most of them military officers — in the illegal repression after which 178 people were reported missing in that Central American nation.

Following persistent questions by local journalists, Menem said he would take the same attitude that he took when "we opened up the Federal Police and Armed Forces files for the investigators of Nazi activities in our country."

As a way of supporting his argument with other events, Menem also mentioned as an example the cooperation for the extradition of former Nazi officer Erich Priebke to Italy.

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During a news conference, the Argentine president pledged: "In this regard, we will do our utmost; we will absolutely not hide anything."

The Honduran National Commission for the Protection of Human Rights report emphasizes that the "Argentine advisers" were specialized in teaching their Central American colleagues "interrogation techniques for suspects," involving various torture methods, which were used in Argentina during the military dictatorship.

Nicaragua

Nicaragua: D. Ortega Registers Candidacy, Outlines Plans

PA1105040596 Mexico City NOTIMEX in Spanish 0215 GMT 11 May 96

[FBIS Translated Text] Managua, 10 May (NOTIMEX) — Daniel Ortega, presidential candidate of the Sandinist National Liberation Front (FSLN), promised today that he will not reinstate the military service or confiscate properties if he wins the 20 October elections.

The FSLN will offer "absolute guarantees that military service will never again exist in Nicaragua," former President Ortega said, also emphasizing that private property will be inviolable.

Ortega read the most important parts of his electoral platform during a news conference. His candidacy and that of his running mate mate, cattlemen Juan Manuel Caldera Lacayo, to compete in the next elections was registered at the Supreme Electoral Council (CSE).

In his speech, Ortega referred to the military service and the large-scale confiscations carried out during his presidential term (1985-1990), and he emphasized that the FSLN is trying to eradicate the fear that prevails among young people and agrarian producers regarding an eventual Sandinist victory.

Military service is prohibited in the political Constitution according to reforms in effect since July 1995. The reforms also specifically forbid the confiscation and expropriation of assets.

The FSLN remained in power from 1979 to 1990, when Ortega was defeated in the elections by current President Violeta Chamorro, whose term will end in January 1997.

Panama

Panama: Colombian Envoy Views U.S. Presence at Border

PA1005172796 Panama City LA PRENSA in Spanish 10 May 96 p 2

[Report by Jose Quintero De Leon]

[FBIS Translated Text] Colombian Ambassador Alfonso Araujo Cotes yesterday visited Government Minister Raul Montenegro to discuss the current situation at the Colombian border in Darien. This subject was in the headlines yesterday, when the media reported that the U.S. Army was conducting military operations in the area.

In a statement to reporters after his meeting with Montenegro, Araujo said that the Colombian and Panamanian Governments will carry out joint actions against the narcoguerrillas operating at the common border.

According to Araujo, those actions will be aimed at strengthening the good relations that exist between the two countries and fighting common enemies, in reference to drug trafficking, illegal aliens, contraband and the guerrilla problem.

There was concern after Minister Montenegro informed legislators two days ago that the most recent exercises in which U.S. troops participated were two weeks ago and lasted 15 days and that there were previous exercises that lasted 10 days. He added that those exercises were authorized to train Panamanian personnel guarding the border.

Montenegro also made it clear that at present there are no joint exercises or guerrilla presence in the area, and described the situation as "stable and under control."

Regarding an anonymous letter sent to the Panamanian Government in which the Revolutionary Armed Forces of Colombia proposed a non aggression pact, Montenegro denied having any contacts with terrorist groups and repudiated their actions.

Nevertheless, according to international dispatches from Santa Fe de Bogota, the presence of U.S. soldiers at the Darien border, precisely in the area that Colombian guerrillas use as a place to rest, caused alarm in the Colombian Government and Army.

Araujo expressed his concern over the current situation at the border, particularly in view of the possibility that U.S. soldiers could enter Colombian territory while pursuing guerrillas.

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Panama: U.S. Soldiers Said Not Controlling Darien

PA1005202296 Panama City Circuito RPC Television in Spanish 2300 GMT 9 May 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] The fact that Panama authorized the U.S. Army to conduct maneuvers on Darien's border with Colombia does not mean that the area is in the hands of that contingent, Acting Deputy Foreign Minister Ivette Franco has said.

[Begin recording] [Reporter Luis Polo Roa] The official made that remark in reponse to the the multiple reactions to the foreign minister's statement that the national government authorized U.S. military maneuvers in Darien for brief periods, especially as a backup for security on the border.

The deputy acting minister affirmed the maneuvers have been conducted on several occasions in other areas of the country, and that this does not mean that the U.S. military has taken control of the border.

[Franco] These are joint maneuvers and are nothing new, authorized by our country to be conducted with the United States. They are conducted for practice. They are not just conducted in Darien. They have been held in other parts of the country, and this is in no way related to the domestic problem in the brother nation of Colombia or to the guerrillas that may be active in the area close to the border with Panama. It is in no way related.

[Polo] It has been affirmed also that the U.S. presence does not come in response to any threat to the existence of guerrillas on Panamanian territory. Even so, the surveillance on the border with Colombia and with Costa Rica has been intensified to fight drug trafficking, gun running, and piracy. [end recording]

Panama: Southern Command Tests Equipment in Darien

PA1105155496 Panama City EL SIGLO in Spanish 11 May 96 p 7

[Report by Francisco Rojas]

[FBIS Translated Text] Panama City (ACAN-EFE) — The Pentagon's Southern Command, which maintains its headquarters along the shores of the Panama Canal, tested sophisticated military equipment in Darien, an inhospitable jungle area bordering Colombia, where the Revolutionary Armed Forces of Colombia (FARC) are operating.

Southern Command spokesman Williams Ormsbee [name as published] told ACAN-EFE that the "military equipment featuring new technology" was designed to detect drugs, to study the environment in tropical areas, and to be used in rescue operations.

Ormsbee added that the new equipment is also capable of detecting downed planes under dense foliage and assisting during natural disasters, but he noted that no troops are in this area bordering Colombia.

Ormsbee pointed out that the tests were conducted during overflights of Darien between 20 April and 7 May.

Ormsbee referred to the new U.S. military equipment used in Darien after the Panamanian Government reported that it had authorized U.S. military operations along the Colombian border.

Raul Montenegro, Panamanian minister of government and justice, said on 8 May that the U.S. military operations "were authorized by the Panamanian Government to mainly support the authorities's security operations at the border for short periods of time."

Parliament questioned Montenegro on the security measures his ministry was implementing at the Colombian border after an alleged FARC letter, which referred to contacts with the Panamanian Government, was revealed.

In the alleged letter, the FARC said it aims to fight their country's authorities in Colombia and not Panama's border policemen.

Montenegro, who asked reporters to leave the Parliament floor because he was going to discuss "sensitive security" issues, pointed out that "we have not and will not accept the presence of narcoguerrillas, guerrillas, or revolutionary armed forces in our country."

After this information was publicized, Colombian Ambassador Alfonso Araujo Cotes told ACAN-EFE that his country would carry out a joint campaign with Panama against the "narcoguerrillas" operating in Darien in order to avoid damaging the good relations that exist between the two countries.

"No situation or reason can justify any country's entering Colombia under the pretext of combating the guerrillas," Araujo Cotes added.

Panama: U.S. Envoy Holds Talks on Future of Bases

PA1105163696 Panama City EL PANAMA AMERICA in Spanish 11 May 96 p A1

[Report by Henry Raymont]

[FBIS Translated Text] Washington, D.C. — Coordination among the various U.S. Government institutions,

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which will be involved in the upcoming talks with Panama over the future of the bases, is being stepped up due to Ambassador William Hughes' trip to Washington.

Since his arrival from Panama last week, after a previous stopover in Miami to talk with Panamanian Foreign Minister Gabriel Lewis Galindo, Hughes has led an intense round of talks with ranking officials from the White House, State Department, Defense Department, and the Armed Forces Joint Chiefs of Staff.

"I am talking with all of the interested parties about fundamental issues in the relations between our two countries," Hughes told an EL PANAMA AMERICA correspondent following a meeting with Defense Secretary William Perry and Joint Chiefs of Staff Chairman John Shalikashvili.

"We are discussing all of the fundamental issues of our relations: the bases; the Southern Command's situation; the schedule of installation reversions to Panamanian sovereignty; the struggle against drug trafficking; future programs to support penal reforms and the modernization of jails; and the provision of troops to support the Panamanian police," the ambassador said.

Hughes said that he would rather not go into detail regarding the contents of his talk with Perry and other ranking U.S. Government officials, because he must first advise the Panamanian Government of those discussions.

Among government circles in Washington, it is expected that the bilateral talks that were to begin in November will be initiated within one or two months, possibly by the end of June. The talks were postponed at Panama's request.

Panama: President Freezes All Public Expenditures

PA1105190696 Panama City LA PRENSA in Spanish 9 May 96 p 1A

[Report by Hermes Sucre Serrano]

[FBIS Translated Text] President Ernesto Perez Balladares ordered a freeze of all public expenditures and instructed Comptroller General Aristides Romero to ensure that only those expenditures deemed "strictly indispensable" and authorized by the executive branch through the Fiscal Balance Inter-Institutional Commission will be carried out.

In a note, Romero requested all fiscal control coordinators, department heads and supervisors, to postpone all appointments and salary increases, with the exception of those by the National Police, the PTJ [Technical Judicial Police], the Institutional Protection Service (SPI), as well as the health and education sectors, these last two because they are the subject of special legislation.

With respect to personal services, available openings will be suspended, and personnel changes that entail salary increases are hereby prohibited. In addition, contracts involving temporary employees will not be renewed, except in cases related to the health and education sectors and the Public Force. There will be no salary increases for employee contracts in those sectors not included in the freeze.

As relates to goods and services, all expense accounts, fuel, and travel abroad (except that financed by international organizations) will be restricted. Additionally, remodeling, office equipment purchases, and leases (equipments, vehicles, office space) will be suspended, and neither will contracts still in effect be subject to any increases.

The comptroller stresses that priority will be given to the purchase of medication, provisions for hospital centers as well as penitentiaries, and to security, medical, laboratory, and surgical equipment.

The government also intends to reschedule all public bids originally scheduled for the months of May and June, as well as establish precedence in announcing the bids.

Furthermore, obligations related to global assignments [asignaciones globales] will be withheld, and no additional loans will be approved.

Romero requested a freeze on uncommitted budget balances for the first three months of this year, except for public debt payments, social security contributions, and international organization quotas.

The comptroller general recommended actions to improve tax collection and to increase revenues at the central government level as well as at state-owned and decentralized agencies, which must apply measures to pay back loans the state granted them.

Romero clarified that the Presidency of the Republic had established these guidelines, along with the ministers of the economic cabinet and in keeping with regulations contained in the Political Constitution, Fiscal Code, and Budget Law.

The Legislative Assembly last night summoned Comptroller General Romero to discuss budget implementation, revenues, austerity measures, commercial imbalance, the amount of money unfrozen by the Directorate for the Recovery of State Property [DRP], and to explain whether public expenditures are higher than budgeted.

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Meanwhile, Arnulfist legislator Bolivar Pariente described the document as "serious, grave, and very important," because it reflects a fiscal imbalance that is not even comparable to the economic crisis experienced during the years before the collapse of Manuel Antonio Noriega's dictatorship.

This means, he added, we need a full reorganization of our operations and investment budget in order to bring it in line with our true reality, which is a national economic crisis.

"Restrictions on public expenditures were ordered today because figures on the 1995 and 1996 budgets are fictitious. Minister Guillermo Chapman must make all the necessary adjustments to reflect the true picture of the goverment's economic problem," the politician said. He added all these changes are due to pressure applied by international financial institutions.

Pariente noted this desperate austerity, disguised as fiscal balancing measures, "virtually limit approval of all expenditures to Perez Balladares' desk."

Pariente and other opposition legislators agreed this is the result of a disorderly economic policy "sprinkled by hefty salary increases" for ministers and an unending chain of presidential trips involving large delegations.

Retiree leaders hope retirees will receive increases despite the new austerity policies.

Panama: Students Block Road To Protest Spending Freeze

PA1005210796 Panama City Telemetro Television Network in Spanish 1730 GMT 10 May 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] This morning there were protests at the University of Panama by students and employees.

[Begin recording] [Reporter Omaira Deleon Watson] The students of the Public Administration Faculty organized one of the protests by blocking the Transisthmian Highway to oppose the government's decision to freeze all state expenditures, something — they claim — that hurts them. Walter Jimenez, leader of the National Advance Guard Movement, explained to us:

[Jimenez] We have conducted this action because, in its latest cabinet meeting, the central government approved a freeze on investment expenditures, which greatly affects the people of Panama, and, specifically, the University of Panama, which has overcrowding problems. The existing plans were to begin the construction of new buildings during the second half of the year. I think it is very unlikely that construction will begin because of the government's decision.

[Deleon] The area's police magistrate Rey Velarde came to the site and talked to the students to end the protest. The students decided to continue blocking the highway for one hour. Meanwhile, in the auditorium, the university employees held a general assembly attended by President Gustavo Garcia de Paredes and other university officials. President Paredes answered the employees' demands regarding the payment of benefits that were suspended by the war decree. He announced that the employees will receive 25 percent of those benefits starting today and on 12 July they will receive the rest. [end recording]

Panama: Minister Rejects Guerrilla Presence Along Border

PA1105180396 Panama City LA PRENSA in Spanish 9 May 96 p 3

[Report by Jose Quintero De Leon]

[FBIS Translated Text] During an appearance before the Legislative Assembly's Government Commission where he was summoned to answer questions with respect to the actual situation along the border region, Government and Justice Minister Raul Montenegro stipulated yesterday that there are no Colombian guerrillas operating along the Darien border.

Montenegro, who was accompanied by Tomas Garcia Tovar, chief of the Police Investigation and Information Department (DIIP), pointed out that the situation in the Darien jungle is "stable and under control."

In reference to an anonymous letter sent by the Revolutionary Armed Forces of Colombia (FARC) proposing a nonaggression pact with the Panamanian Government, Montenegro stressed that "the executive branch rejects any type of association with terrorist groups and condemns all acts of terrorism regardless of their nature."

Montenegro ruled out the legitimacy of the note and indicated that the government of Ernesto Perez Balladares does not accept the presence of "narcoguerrillas" or guerrillas along the border.

The minister emphasized that the National Police have increased security measures along the border but that paramilitary groups have not been detected. Nevertheless, he did acknowledge that short term joint exercises are being carried out with the U.S. Armed Forces, but refrained from disclosing the nature of these exercises.

When he was about to explain the real situation along the Darien border, the minister asked the commission not to allow the presence of the media, since he

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was about to discuss "sensitive issues pertaining to national security," which caused a certain degree of apprehension. He also urged the legislators not to comment on the issue.

Even though Montenegro, on several occasions rejected the presence of guerrillas in Darien, organizations such as the Institute for the Integrated Development of Darien have been calling attention to the presence of guerrillas in the province for several years, which is a dangerous short-term element.

With respect to border violations, the minister acknowledged that incursions have been taking place, but mostly by illegal aliens who open short cuts to enter the region. He added that this practice is common in countries with common borders and that measures are being implemented to control the incursions.

In reference to the immediate measures being adopted by his office to control criminal activity in that border region, Minister Montenegro indicated that discussions are taking place with the Kuna General Council with the objective of establishing a naval base in the Caribbean region of Puerto Escoces which will be supported by two helicopters, and another base to cover the Pacific side of the province.

Panama: Interview With Argentina's Menem

PA1205121396 Panama City LA PRENSA in Spanish 9 May 96 p 4

[Interview with Argentine President Carlos Menem by unidentified reporter; place and date not given — words within slantlines published in italics]

[FBIS Translated Text] [Reporter] *Could you disclose some of the issues you will discuss with Panamanian authorities?*

[Menem] This tour, in which, other than Panama, I will visit Honduras and El Salvador, is a demonstration of Argentina's firm commitment to the Central American region, a commitment that stretches from human rights to the consolidation of democracy.

In the specific case of Panama, I intend to make headway, along with my dear colleague Ernesto Perez Balladares and Panamanian officials, on bilateral issues that are already in progress. I will devote much of my stay in your country to strengthening trade relations. In regards to this, I would emphasize that coinciding with my visit, we will inaugurate a conference, to which approximately 50 Argentine businessmen have already confirmed their attendance. Argentina also participated in Expocomer, thus showing the interest in trade, and the opportunities for trade, between our two nations.

I am particularly interested in Panamanian projects, such as the construction of the City of Knowledge and the Teleport; initiatives that will greatly stimulate the region by contributing to the development of new technologies and fostering development. Surely, the materialization of these initiatives will not only benefit the Republic of Panama, but all of Latin America. This is very important at a time when the complete integration of the continent's sister nations is a shared and feasible goal.

[Reporter] *Since you have mentioned Latin American integration, just a year ago shots were heard on the border between Peru and Ecuador, and there are still conflicts, which don't seem to make your dream an easy task. How do you foresee future developments regarding the fulfillment of this dream of all Latin Americans?*

[Menem] Among some sister nations there are still some minor differences, which sometimes, unfortunately, reach the extremes you have mentioned. However, is it necessary to emphasize that at this time Latin Americans are all conscious of the need for integration to face the future.

General Juan Domingo Peron, the founder of my party, used to say that in the 21st Century we would either be united or dominated. I am very satisfied to see that Latin Americans have understood that message and that we are very close to complete integration. I always cite Mercosur as an example because it was a success from the beginning. That is why it is not a foolish to speak of a common market that extends from the Atlantic to the Pacific Ocean, and from Alaska to Tierra del Fuego.

We will be devoted to that task during the next few years, which will not be easy, but which will be the primary objective of the nations of America. Through bilateral agreements, and later regional agreements, and finally continental agreements, the old dream of the Liberators of our continent will become a reality in less time than we believed possible.

[Reporter] *Previous efforts similar to Mercosur failed. To what do you attribute the good performance of Mercosur and in what way will that experience be useful to a more ambitious project such as the project you propose?*

[Menem] Without a doubt, Mercosur owes its success essentially to iron will of all the governments that signed the agreement to unite. If that firm decision had not existed, the minor differences, which are inevitable in any negotiations of this magnitude, would have doomed the project to failure. One must also emphasize that the current international situation is very different from what it was 10 or 20 years ago. The contemporary

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world is rapidly moving toward the formation of strong trade blocs, such as the European Common Market, and NAFTA. These large blocs have the virtue of expanding the markets of the members states while increasing their potential regarding trade with other regions. This view made us aware of the need to quickly join forces to give impetus to our production sector.

I always say that Americans are now able to seriously think in terms of this common continental direction, which I mentioned before. There is a very positive point to consider, which is that the countries of the Americas have regained their democracies. Under governments legitimately elected by the people, it is possible to forge agreements on solid ground and guarantee their continuity. Other nations can look to Mercosur and find a point of reference that will help them understand that by being consistent with their goals and seizing the opportunities stemming from the current favorable circumstances, it is possible to implement trade integration initiatives throughout the continent with success.

[Reporter] *In a world, as you have stated, that is gradually becoming more interrelated, particularly in Latin America, some global threats do exist that could make any joint effort fail. I am referring specifically to drug trafficking, terrorism, and institutionalized corruption. What kind of measures can eliminate these contemporary problems?*

[Menem] As you well said, global threats exist. Any effort, therefore, to eliminate them should start with multilaterally coordinated initiatives. Every inter-American or world meeting has specifically stressed the need to establish mechanisms of cooperation to fight these evils that are endemic to our times.

Regarding specific measures, it is essential to review our extradition treaties in order to prevent criminals from getting away with impunity just by crossing a border. It will also be necessary to encourage the exchange of information between security forces through modern technology, which now allows us know in a matter of seconds what is happening in remote places. We also need to apply these technical innovations to border control in order to discourage crime.

In addition to joint measures, each country should adopt internal policies aimed at eliminating corruption. Regulation of the state apparatus has shown to be an effective method to purge the government of illicit activities. We should also consider amendments to our legislation and stiffer penalties for corrupt officials who steal from their people and break their trust.

[Reporter] *Changing the subject, since the Mexican [as published] crisis began, the Argentine media has been referring almost every day to internal disputes between Peronist politicians and Economy Minister Domingo Cavallo. In fact, there have been talks about "Peronizing" the economy as a way to underline the decision to oppose the plan implemented in 1991. Could this internal struggle endanger your government or at least make it change its path?*

[Menem] I am often asked this question, and I always reply the same way: There is no possibility of changing our path. The government plan and team have given excellent results. Following the path we began in 1989, our country has experienced an unprecedented transformation that is reflected in specific growth figures. I ask: If we have done so well with this plan, why change it? No one has been able to answer that question.

I must admit that there are obstacles we must overcome, such as the unemployment problem. I am convinced, however, that we will reduce unemployment just as we managed to reduce inflation, by firmly maintaining the same path. I am particularly irritated when the term "Peronizing" is used when referring to returning to policies we have already overcome. Peronism has always been a dynamic doctrine, it has always been updated, it has never gone backward in time. This is a 100-percent Peronist government, which has recovered well-being for its people, which is why it has been legitimized in the polls. We are committed to the Argentine people. That is why I say that we are not going to fail again, that we are not going to modify our economic plan.

Panama: Argentina's Menem Arrives for Official Visit

PA1005201196 Panama City Telemetro Television Network in Spanish 1730 GMT 10 May 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares today welcomed his Argentine colleague Carlos Saul Menem at Tocumen International Airport. Here is Atenogenes Rodriguez who covered the expected visit:

[Rodriguez] Argentine President Carlos Menem arrived in Panama at 1135. President Perez Balladares and the state ministers were on hand to welcome him. We are seeing the moment the Argentine president got out of the presidential airplane to meet Perez Balladares.

We have interesting details to mention regarding this arrival. His initial schedule was to visit until Sunday, but it was shortened. We still do not know the reasons he cut short his stay, but Menem will be leaving tomorrow afternoon at approximately 1800, as has been unofficially reported.

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Among the main accords Menem plans to sign with the Panamanian Government include the elimination of visas. Starting on the date of the agreement, Panamanians traveling to Argentina and vice versa will not need to carry a visa or request a visa at the respective consular offices and embassies.

They will also sign a coordination agreement on a study regarding the export of Argentine beef to Panama. Officials stressed there is nothing specific on this matter.

Continuing with this visit, Menem and Perez Balladares must be holding a closed-door meeting right now at the Presidency. In the afternoon, they will sign bilateral accords. At 1430, Menem will receive the keys to Panama City.

In the evening, he will unveil a statue of General Manuel Delgado and a plaque at the residence where General Juan Domingo Peron lived while in Panama. These are just some of Menem's activities.

Panama: Menem, Perez Balladares Sign Joint Agreements

PA1105180096 Panama City Circuito RPC Television in Spanish 2300 GMT 10 May 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] One of the purposes of the visit of Argentine President Carlos Saul Menem and his delegation to Panama is to sign agreements that could benefit both countries.

Panamanian President Ernesto Perez Balladares arrived at the presidential building with Argentine President Menem and Menem's delegation, made up officials and businesmen, aboard the presidential helicopter.

The presidents met in private for several minutes in the presidential building, where they signed agreements between the two countries. The agreements were signed by Panamanian Acting Foreign Minister Ricardo Alberto Arias and Andres Cisneros, secretary general of the Argentine Foreign Ministry.

The agreements signed include the following: Mutual promotion and protection of investment, prevention of double taxation in the use of planes for international transport, prevention of drug trafficking and the illegal use of drugs, tourism cooperation, cooperation in plant health and quarantine, and waiving the requirement for visas for diplomatic, official, consular, and regular passports.

Later, Menem and Perez Balladares signed a joint statement on Menem's visit. The presidents then left the Peace Room to continue to discuss market opening, regional integration, a universal congress on the Panama Canal, and the development of the Colon Free Zone, to name a few topics.

Panama: Article Details Agreements Signed With Argentina

PA1205165396 Panama City LA PRENSA in Spanish 11 May 96 p 1A

[Article by Rolando Rodriguez B.]

[FBIS Translated Text] The presidents of Panama and Argentina signed seven pacts and bilateral agreements yesterday, among which two agreements stand out: one, against the use of drugs and drug trafficking and another regarding tourism.

These agreements were signed yesterday, almost immediately after the arrival of Argentine President Carlos Menem, who came to Panama following his visit to Honduras, accompanied by a large delegation of Argentine officials and businessmen.

The bilateral agreements were signed in the Palace of the Herons in a ceremony with acting Panamanian Foreign Relations Minister Ricardo Alberto Arias and Andres Cisneros, secretary general and coordinator of the Argentine Foreign Relations, International Trade, and Culture Ministries.

The first agreement fosters and protects investments to create conditions favorable for the transfer of capital to companies in the territory of the other party.

Later, Arias and Cisneros signed an agreement to prevent double taxation of airline companies engaged in international transportation and on the income and capital gains of these companies.

Regarding the agreement to prevent the illegal use of drugs and drug trafficking, the two parties agree to cooperate in the fight against this crime through their national organizations and services and to provide mutual technical-scientific assistance and a frequent exchange of information.

The tourism agreement signed yesterday is aimed at greater and improved coordination and integration of efforts by each country to increase and consolidate the flow of tourism between the two nations.

The two governments also signed a cooperation and coordination agreement on quarantine and plant health issues to facilitate the trade and exchange of plants and products and sub-products of vegetable origin, without risk to human health, agriculture, or the environment.

In the last two agreements, the two countries agreed on the use of visas in diplomatic, official, and consular passports, and in regular passports.

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In the first of these two agreements, officials of either of the two countries can enter, remain, and leave the territory of the other without a visa for the duration of their missions.

Moreover, Panamanian and Argentine citizens with regular passports can stay in the territory of the other as tourists for a period no longer than 90 days without previously obtaining a visa.

Panama: Argentine President Holds News Conference

PA1305030396 Panama City Circuito RPC Television in Spanish 1730 GMT 11 May 96

[Report by Alvaro Alvarado from the "Midday Television News" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] Carlos Menem reiterated at the beginning of his news conference that the possible reelection of President Ernesto Perez Balladarez would not be discussed because he is not allowed to interfere in the domestic affairs of other countries. He disclosed, however, some personal experiences regarding reelections and mentioned the cases of other presidents, such as Felipe Gonzalez in Spain and Francoise Mitterrand in France, who were reelected in their respective countries:

[Menem] "Argentina was ranked one hundredth among the nations of the world when I became president. Today, we are ranked among the leading 20 countries of the world."

Menem has mentioned some of the agreements signed with Panama, stressing that the most important agreements were those on drug trafficking.

Menem has discussed the sale of Argentine weapons to Ecuador and Croatia:

[Menem] "This issue is being investigated. We are not even sure whether Argentine weapons were sold to Ecuador or Croatia; that matter is being investigated. We will reveal the outcome once we know the results of the investigation on an administrative and judicial level. If those arms were shipped to Ecuador, which is the possibility you have mentioned, the person responsible will receive the appropriate punishment."

The Argentine president has said he will stay in Panama until tomorrow as planned. Menem has said poverty in his country has declined from 37 percent when he took power in 1989 to 13 percent at present.

About amnesty, Menem has said Argentina's case was different from Panama's, because civilians and soldiers in Argentina that were involved in what he described as a dirty war were pardoned. Amnesty yielded good results in Argentina.

On privatization, Menem has said the Argentine experience has been exceptional, because the state-owned companies had a deficit of over $17 billion:

[Menem] "In addition, they did not pay taxes because they were state-owned companies, but that deficit no longer exists now that they have passed to the private sector, and we are collecting several billions of dollars, or pesos, in taxes since these companies passed to the private sector.

[Unidentified reporter] "Would privatization benefit Panama?

[Menem] "It yielded excellent results in Argentina. Panamanians must decide on this particular issue."

Panama: Argentine President Ends 3-Day Official Visit

PA1305002496 Panama City ACAN in Spanish 2024 GMT 12 May 96

[FBIS Translated Text] Panama City, 12 May (ACAN-EFE) — Argentine President Carlos Menem concluded his first official tour of Central America today after ending a three-day visit to Panama. He signed cooperation and investment protection agreements during his visit to Panama and played one of his favorite sports, golf.

Panamanian President Ernesto Perez Balladares, cabinet members, and the diplomatic corps saw Menem off at Tocumen International Airport.

The South American president's airplane took off for Argentina at approximately 1400 (1900 GMT).

Carlos Saul Menem this week visited Honduras, El Salvador, and Panama in what was the first official visit to Central America by an Argentine president. Its objective was the promotion of Argentine investments in the privatization process under way in the Central American isthmus.

Panama: Taiwanese Minister on Support for Development

PA1005223596 Panama City LA ESTRELLA DE PANAMA in Spanish 8 May 96 p A2

[FBIS Translated Text] Ping-kun Chiang, minister of economic affairs of the Republic of China, has paid a courtesy call to President Ernesto Perez Balladares to whom he reiterated his government's intention to support Panama's economic development and modernization program.

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Chiang visited the Palace of the Herons accompanied by Ambassador to Panama Ping-cha Su, by Dick Moe, president of the Overseas International Development Corporation (OIDC), which is responsible for promoting industrial parks in that Asian country, and by acting Panamanian Foreign Minister Ricardo Alberto Arias.

During this half-hour meeting, the Chinese minister and the president spoke about the economic restructuring and modernization process that the current administration is proposing and the foreign investment opportunities that such efforts represent, most significantly, within the reverted areas of the Panama Canal.

Minister Chiang and President Balladares participated in a formal ceremony to lay down the cornerstone for the Export Processing Zone at Davis [ZPED]. Formerly an American military base in Colon Province, Davis is located 70 kilometers north of the Panamanian capital and was reverted back on September 1, 1995, in keeping with the Torrijos-Carter Panama Canal Treaties.

The ZPED will occupy an area of 120 hectares and includes 78 housing units and 20 industrial buildings, representing an official Chinese investment of $7 million, which is expected to generate 12,000 new jobs in the next three years.

Panama: Veterinarians View Meat Imports From Argentina

PA1205172796 Panama City LA PRENSA in Spanish 11 May 96 p 2A

[Article by Rolando B. Rodriguez]

[FBIS Translated Excerpt] [Passage omitted] Panamanian veterinarians have publicly voiced their concern regarding talks to analyze the causes for the prohibition of Argentine beef imports into Panamanian territory because Argentina is a country whose cattle have experienced the ravages of hoof-and-mouth disease, although Argentine Ambassador to Panama Alejandro Mosquera affirmed that the disease has not been reported in Argentina for over two years.

Mosquera believes that the persons who have spoken against importing beef are somewhat irresponsible and that, in truth, there are vested interests among Panamanian cattlemen who oppose this trade.

Agricultural Development Minister (MIDA) Carlos Soussa Lenox, a former president of the National Association of Cattlemen (ANAGAN), said that the organization has a right to be concerned because it relies on that economic activity," and the veterinarians should also be concerned, because they know the devastating range of this disease. [passage omitted]

However, Soussa Lenox made clear that he has not decided yet whether to accept Argentine beef imports. The minister says he understands Argentina's position, because Argentina has spent "millions and millions of dollars" to eradicate hoof-and-mouth disease and has an ongoing vaccination program to prevent it.

Nevertheless, Minister Soussa Lenox emphasized that at this moment there should not be any fear regarding the import of Argentine beef to Panama, because the issue needs more study. Hoof-and-mouth is a disease which spreads rapidly among cattle and causes immediate and heavy loses to cattlemen.

It should be emphasized that the so-called Darien gap on the border with Colombian has prevented cattle from South America exposed to hoof-and-mouth disease from entering Panama, Central and North America.

Moreover, in the Perez Balladarez-Menem joint declarations, Argentina says that "it considers very important the Panamanian Government's support of Argentina's claims over the Malvinas, Georgian, and Southern Sandwich Islands, and the surrounding marine areas."

The document adds that Argentina "deeply appreciates and values this support, especially the expressed Panamanian support given every year at the OAS General Assembly."

In addition, Argentina and Panama reiterated in the declaration that Argentina and the United Kingdom should "renew negotiations to reach a peaceful solution to this sovereignty dispute as soon as possible."

According to the declaration, the two governments discussed issues such as the adherence of Panama to the World Trade Organization; projects involving technical cooperation, which Argentina has offered to Panama; and cultural cooperation. Moreover, the two governments condemned international terrorism, and agreed on strengthening the OAS as a political forum for inter-American cooperation.

Moreover, they agreed that new Latin American strategies are needed against the use and trafficking of illegal drugs and connected crimes. The two countries emphasized the importance of taking stronger measures against the consumption, production, and trafficking of drugs.

The presidents acknowledged the importance of the Panama Canal to world trade, of its transition to Panamanian hands in the year 2000, and the celebration next year of the Universal Conference on the Panama Canal. Menem also expressed his interest in the "City of Knowledge" project.

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Argentina

Argentina: Menem To Ask Cuba To Suspend Execution

PA1105224796 Mexico City NOTIMEX in Spanish 2142 GMT 11 May 96

[FBIS Translated Text] Panama City, 11 May (NOTIMEX) — Argentine President Carlos Menem said here today that he will ask the Cuban Government to suspend the execution of a counterrevolutionary who was sentenced to death for killing a Communist Party member. In a news conference, Menem explained he has instructed Foreign Relations Minister Guido Di Tella to send a note to Havana requesting "the suspension" of the execution of Humberto Real Suarez, a Cuban living in Miami who illegally entered Cuba. Real Suarez "is reportedly implicated in a number of actions that supposedly harmed Cuba's interests," Menem indicated. Menem began an official visit to Panama yesterday, the last leg of his tour of three Central American countries.

According to official reports from Havana, Real Suarez illegally entered the island as part of an infiltration team from Miami and killed 34-year-old Arsilio Rodriguez Perez. According to the sources, he was tried in the Court of Crimes Against State Security at Villa Clara Province in central Cuba, some 300 km east of Havana. The sources said Real Suarez and his companions admitted they were trained by the National Democratic Unity Party headquartered in Miami, Florida.

Foreign Minister Di Tella indicated he will send the note to the Cuban Government this very afternoon.

Argentina: Judge Says Mid-Level Officials Liable for Arms

PY1005232896 Buenos Aires CLARIN in Spanish 10 May 96 p 5

[FBIS Translated Text] In the opinion he submitted on 9 May on the **administrative responsibility** for the sale of weapons to Croatia and Ecuador, Rear Admiral Jose Agustin Reilly, judge advocate general of the Armed Forces, **accused the middle-level officials below** the rank of secretaries of state and Defense Minister Oscar Camilion.

President Carlos Menem had ordered this inquest three weeks ago and tasked the defense minister **with the direction** of this inquiry, which was announced by the minister at the Olivos presidential residence.

The judge advocate general's conclusions are in direct contradiction to the hypotheses the courts are considering — the Federal Appellate Court had instructed Judge Jorge Urso "**to investigate the [defense] minister's responsibility** for this affair," i.e., to orientate his probe **"towards the upper echelons"** of the pyramidal decision-making process.

According to Rear-Adm. Reilly's opinion — to which **CLARIN** had access — **"primary liability" falls on Luis Sarlenga, former General Directorate of Military Industries (DGFM) trustee** — whom Judge Urso has already indicted — and, to a lesser degree, on the following members of the DGFM board: Deputy Trustee Norberto Emanuel; Marketing Manager Colonel Edberto Gonzalez de la Vega (who testified before the courts yesterday); Productions Manager Colonel Carlos Francke; and Colonel [Ernesto] Ramirez, retired, a director in the marketing area.

The report states that the members of the National Commission for the Control of Exports of Sensitive Material and Weapons; namely, Mauricio Muzi (Defense Ministry), Enrique de la Torre (Foreign Ministry), and Nestor Stancanelli (Economy Ministry) — the Federal Appellate Court **dismissed the charges** leveled against them — committed **"administrative misdemeanors."**

The opinion Rear-Adm. Reilly submitted yesterday to the defense minister, who subsequently remitted it to the judge hearing the case, states that **irregularities were committed "in the entire procedure"** involving the arms sale.

The report **objects to the nomination of the company Hayton Trade** as representative of the DGFM in the sale of weapons to the Venezuelan Government. It confirms that, although the decree provided for the sale of **new materiel**, the rifles that were consigned were in fact **at the end of their lifespan** and had expired ammunition.

This latter fact has implications concerning the customs house on account of **tariff estimations** of the consignment of weapons in question and the drawbacks provided for in the decree authorizing the sale. It would, moreover, confirm the **truthfulness** of the charges made by the Ecuadoran company Prodefensa to the effect that the **weapons** and the munition **were deficient.**

Argentina: Foreign, Domestic Impact of Arms Scandal Viewed

96SM0284A Buenos Aires CLARIN in Spanish 5 May 96

[Commentary by Eduardo Van der Kooy: "Fuel on the Fire" — received via Internet]

[FBIS Translated Text] The administration has tried to use gasoline to put out the fire lit by the scandal over the sale of arms of Ecuador.

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The disclosure of 24 confidential decrees involving similar operations since 1983 has fanned the flames on several fronts and very quickly incinerated the administration's strategy of trying to share the blame for the political blunders it committed with the opposition. In the administration, long-standing feuds have been revived over a decision that not everyone agreed with but that no one dared bring up with President Carlos Menem.

For its part, the opposition seemed to find a reference point with which to disturb the ruling party's traditional imperturbability. The 30 requests filed by the UCR [Radical Civic Union] for information about the arms sales, the petition to summon Oscar Camilion for questioning, and the demand for his impeachment, "which has been blocked in the Chamber of Deputies for nine months," have been compounded in the Senate by the actions of the Front, which is headed there by Graciela Fernandez Meijide.

The commanders of the Armed Forces, or at least General Martin Balza and Brigadier Jorge Paulik, have kept their distance from the administration in this matter and set their sights on the Defense Ministry, to which they do not even report their decisions.

Almost none of these consequences seemed to have been borne in mind during the cabinet meeting on Tuesday, when the administration sought to take the bull by the horns. The symptoms of confusion made evident at other critical moments were seen again there. So obsessed were the ministers and secretaries with the arms scandal that an outburst by Domingo Cavallo went almost unnoticed; once again his target was Carlos Corach, though he did not mention him by name, instead harshly criticizing the judges who are investigating the Central Bank in connection with the shutdown of the Integrated Departmental Bank (BID). The Cavallo explosion petered out as soon as the president and several of his ministers discovered that the scandal over the arms sales was more a campaign by the mass media than anything the administration was responsible for. Several serious charges were leveled at journalists, and tactics involving "seducing but not muzzling" were even considered in a bid to keep the clandestine arms sales from monopolizing the interest of the mass media.

Perhaps all this emphasis on secondary matters has caused the members of the administration to lose sight of the weaknesses of the strategy it has chosen to weather the storm. To begin with, the flippancy with which the administration decided to reveal a State secret in an attempt to deal with a domestic political problem will irrevocably undermine the confidence that others have in it when it is called upon in the future to play a role on a major international issue. Above and beyond the objections that could be raised to the weapons deal itself, the possibility of returning to the thorny arms market is now out of the question, as the field would currently seem to be wide open for Brazil and Chile.

Nor did the disclosure of the decrees achieve the objective of sharing blame with the opposition. A more or less detailed reading of the texts might even make the administration feel more uncomfortable. The UCR administration, for example, sold weaponry during the war between Iran and Iraq, but there was no UN arms embargo against Iraq at the time and Argentina was not involved at all, not even indirectly, in the conflict. In any event, this particular arms sale could be criticized from another angle: the fears that it raised about Argentine foreign policy at the time in the Middle East, especially in Israel. In contrast, there are many more doubts about the Menem administration than those arising from the alleged sale of arms to Venezuela, arms that wound up in Ecuador, which was in the midst of a war with Peru.

Most conspicuous are three shipments supposedly bound for Panama (1991-93 and 1994) that reportedly wound up in Croatia. Certain self-evident questions point up the government's lack of foresight. Didn't anyone realize that the quality of the weaponry supposedly shipped to Panama bore no relation to the needs of a country that has had a militarized police force, not Armed Forces, since the U.S. invasion in 1989? Several administration officials did notice this but were unable to prevent the machinery from being set in motion while the administration endeavored, in the worst way possible, to squelch disagreement. At least one of the decrees under which arms were sold to Panama was authorized while Erman Gonzalez was defense minister. One of his chief undersecretaries was Ana Kessler, who is now Jorge Dominguez' running mate in the race for mayor. We can thus understand why the mayor became so annoyed when the administration decided to reveal the arms sale, thus fueling a debate that cannot possibly help him in his effort to narrow the vote gap between himself and Fernando de la Rua and Norberto La Porta.

Dominguez was not the only one left bewildered. Before braving a press conference to explain the revelation of the confidential decrees, Jorge Rodriguez received three suggestions, two from ministers, to postpone or call off the announcement. The cabinet chief thought it over but always wound up confronting a question that neither he nor the people who made the suggestion to him could answer: "Who's going to tell Menem?" The specter of Eduardo Bauza hung over this awkward juncture, as he was the one who usually mollified the president whenever some political decision created more doubts than certainties in the administration. The memory of

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him did not have to do with the arms sale alone. Last week Menem finally made the decision, which had often been postponed, to appoint Jose Bernabe Arnaudo as head of the Cooperative Action Institute. Bauza had thought that for the time being it would be a good idea to avoid the long-standing friction that could reemerge between the former governor of La Rioja and Cavallo.

What is more, the president pushed the appointment of Jorge Amar as our future ambassador to Spain. The former cabinet chief, and Guido Di Tella too, said that an ambassador in tune with the new winds that Jose Maria Aznar's government heralds was needed in Madrid. The designation of Amar ultimately seems to have been ruled out after the Spanish Foreign Ministry sent several unmistakable signals.

The doubts about the disclosure of the confidential decrees mounted to such an extent in the administration that Rodriguez had to face the press alone. The cabinet chief did not ask for any minister to show up spontaneously, although perhaps this was his hope, but he did ask ruling-party lawmakers involved with defense issues to make an appearance. He even fought to the end to have the implicated ministers provide him with background information.

Camilion postponed the decree revoking the fourth, last, and unsuccessful shipment of arms to Ecuador longer than he should have. Rodriguez followed a script designed primarily not to upset the president, taking care not to link the disclosure of confidential decrees to Raul Alfonsin but letting his criticisms fly at Terragno. Menem has looked askance at the current president of the UCR for some time now.

Each of the remaining members of the cabinet tended to his own sphere. Camilion advanced the theory that ministers cannot be held responsible for crimes taking place in their areas because that would make holding public office almost impossible. Such an argument leaves many questions unanswered. It does not clarify, for example, who ought to take political responsibility when an episode like the arms sales, whether by mistake or owing to deceit, humiliates the country. He let another worrisome detail slip out: as he himself said, the institutions of government are apparently much more prone to negligence or corruption than the average Argentine assumes.

While his ministry continues to tear itself apart (Rodriguez ordered the elimination of the Superintendency of Borders), Camilion is readying himself to tackle other consequences of the scandal. The privatization of Fabricaciones Militares has given rise to a struggle between Defense and Economy because Cavallo above all wants the enterprise to undergo an audit, which may well uncover some fishy numbers. The ruling-party lawmakers in Congress do not seem in the mood to erect barriers there to prevent the political opposition from making headway with its offensive against the minister.

The foreign minister preferred to keep a low profile when things got hot, although he was no doubt the first to point out the pernicious effect that the arms sales have begun to have on Argentine relations with Latin America. One example says it all. Di Tella was supposed to travel to Venezuela last week to take care of a diplomatic disagreement that probably heated up again because of the following development: the Caracas government had to apply too much pressure on Argentina to admit that the arms it sold to third countries had landed in Ecuador. The foreign minister must have realized how annoyed the Venezuelans were, because he decided to include in his delegation Senator Juan Ramon Aguirre Lanari, who made such close and lasting ties while he was ambassador there in the early 1980's. The administration had hinted that it would support a Venezuelan candidate to fill a vacant 9-year seat on the International Court of Justice at The Hague. Rafael Caldera had expressly so requested of Carlos Menem, in fact. No one knows why Argentina ultimately nominated Ambassador Julio Barberis for the post, thus offering competition to its partner. The unpleasant upshot reflected a new fact of life: all of the countries of Latin America, except Paraguay, voted for Venezuela and against Argentina.

Corach also sensed a hostile political climate during his visit to Peru and had to give the expected explanations to Alberto Fujimori about the arms sales to Ecuador. The letter that Menem sent to the Peruvian president helped, but the interior minister added some words of his own to ease the tension: "There will be new developments in two weeks," he related, even though he knew that this was going to be impossible, as it actually was. For obvious reasons Fujimori did not tell Corach what a Peruvian ambassador in Europe who is a close friend of the president confided to an Argentine diplomat: "We are never going to forgive them for what happened." From the looks of things, the arms scandal has begun to have profound political consequences for Argentina sooner overseas than here at home.

Argentina: Arms Scandal, Corruption Viewed

96SM0266A Buenos Aires CLARIN in Spanish 28 Apr 96

[Commentary by Eduardo van der Kooy: "All in the Same Boat? — received via Internet]

[FBIS Translated Text] The administration is once again caught up in an outbreak of corruption or at least severe negligence, but it does not seem at all shaken, as in the past, nor does it seem that it will even have to pay a political price that might cast doubt on its remaining in power.

The clandestine sale of arms to Ecuador during the war with Peru in the summer of 1995 has reemerged with the force of a scandal that threatens to make most of the

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administration look bad. The intensified investigations into the Banco Nacion affair involving contract cost overruns are causing one surprise after another. The 30 indictments ordered by Judge Adolfo Bagnasco, which have touched Domingo Cavallo and Alberto Kohan, have been compounded now by the discovery of a new bank account in New York in which part of the bribe was presumably deposited.

And this does not seem to be all. The account in question apparently has an extension in the Bahamas and could be dangerously linked to an official in the Menem administration at the rank of state secretary who was in some way involved in the contracting process.

The worsening of these situations is not producing the consequences for the administration that might be expected, however. On the one hand, perhaps because society remains primarily concerned about the possibility of easing the economic crisis, and on the other because the political opposition, "owing to complicity or ineptitude," has wound up much too tied in with the administration.

In any event, others are trying to set the limits. The Church has again warned about shady deals in power, declaring yesterday that "various forms of corruption are hurting the entire society." A high-level State Department official indicated during a confidential meeting with four journalists that just two things are upsetting relations between the United States and Argentina: persistent corruption and the slow pace of the justice system.

Setting these comments aside, the administration has left no stone unturned in its obvious determination to equate its political misfortunes with those of its adversaries. The pending legal problems of UCR [Radical Civic Union] Senators Eduardo Angeloz and Horacio Massaccesi have paralyzed the UCR in its desire to again play the role of government watchdog. The ruling party itself has thrown it some life-jackets. More than a few Menem administration officials also took it upon themselves to publicize the complaint hanging over the head of former Senator Jose Bordon, who is being investigated by a judge in connection with a computer contract that he signed while he was the Front's former candidate for governor of Mendoza. Certain specific details about this matter were deliberately ignored. The complaint against Bordon was pushed by Democratic Party Deputy Gustavo Gutierrez, against whom two requests to lift his immunity have been filed. After going through several courts without success, the case was handed over to Judge Estela Garritano de Cejas, who still has to respond to more than 20 suits filed against the State over the indictments that she handed down against several individuals in connection with the death of Pablo Guardati (May 1992), suits that later had to be stayed.

It would seem as though ongoing events and the maelstrom in the Menem administration are sanitizing all these details. Bordon, Angeloz, and Massaccesi alike will ultimately have to offer explanations to society, "with greater or lesser urgency," about problems involving their conduct that are supposedly similar to the problems that have plagued the administration from the start.

This broad-brush image is helping the Menem administration to disguise its vices, but at the same time it carries an undeniable political risk. The fact that many parties and their leaders are seen as being in the same boat is not conducive to the consolidation of the system. It could fuel the skepticism that society already feels about democratic institutions. The UCR knows this, but its own internal limitations are keeping it from regaining the people's trust, all the more so when the fate of two of its leaders and former presidential candidates becomes a bargaining chip vis-a-vis the Menem administration from time to time.

The lines had been drawn in the opposition party. Its president, Rodolfo Terragno, pushed to have the two leaders under fire answer the court's summons without invoking immunity. The national board, in contrast, given the influence that pro-Angeloz and pro-Alfonsin leaders exerted, decided suddenly to reverse course. This approach fit in better with the UCR-Menem negotiations in Congress, where Eduardo Menem and Jorge Yoma were calling the shots. It was agreed that the courts would investigate the two senators, but also that they would not need to waive their immunity. Such a possibility would be taken under consideration only if the judge ordered them arrested.

The Angeloz affair is causing much more of a stir in the UCR than the Massaccesi case is. The former governor of Rio Negro never became an influential party figure, and the charges against him, "appropriating Treasury funds to pay salaries in the province," stem from a long-standing feud with Cavallo. The case of the former Cordoba governor is different, not only because he was elected three times in his province but also because he was always portrayed as a symbol of efficiency and transparency, especially after Alfonsin's early exit from power. Cavallo was also blamed almost exclusively for the unpleasant end that he met in the governor's office, but these arguments were apparently demolished when a complaint about illicit enrichment led to the judge's request that his immunity be lifted. Even some of his procedures were irritating. The Menem admin-

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istration intervened directly through Interior Minister Carlos Corach to block the judge's request. No one can say for sure whether Angeloz consented to such mediation. There was something else. The case was opened pursuant to a law, which Angeloz himself had enacted, concerning the obligation of all public officials to declare their net worth. With one additional consideration. The judge took into account the amendment to Article 268 of the province's Penal Code, which requires that officials demonstrate how they increased their net worth, whether on their own account or through an intermediary to disguise the fact. The Angeloz defense challenged the constitutionality of the article in question, arguing that it reversed the burden of proof, but failed to take into account a historic reference that did not go unnoticed among UCR members. The amendment to the Penal Code was passed in 1965 under the government of Arturo Illia, which was a model of honesty according to party dogma.

All of these considerations have probably prevented the UCR from playing a more active role in the scandal over the sale of arms to Ecuador that is now ruffling the administration. For the time being there have been half-hearted insinuations. Deputy Horacio Jaunarena, a former defense minister, dared mention the possibility of impeaching Oscar Camilion. Senator Antonio Berhongaray asked Cavallo during the most recent questioning of him to step up the investigations. But it has gone no further. The administration says that it is prepared to repel any offensive by the opposition. The explanation: a UCR leader who played an active role in the Olivos Pact is reportedly involved in overseas weapons sales. The defense minister is also said to carry around, in a jacket pocket, vouchers for the UCR administration's nine secret arms sales during the Iran-Iraq war.

The inaction of the Front seems more incomprehensible. Last week its leaders chose to cancel a meeting with Camilion so that they would not appear to be mixed up in the scandal, but they failed to realize the advantage that they could derive from the situation.

The administration is also worried. Until Menem ordered the cabinet shielded, the conflict was out of control. There was a string of episodes that might not have gone that far with Eduardo Bauza in the cabinet. The Federal Court ordered the investigation widened, which Judge Jorge Urso did without heeding any warnings from the administration. Guido Di Tella forwarded the report of Argentina's military attache in Ecuador directly to the court, without any stops in the Casa Rosada; this made the situation worse, because the report disclosed the offer from Fabricaciones Militares to sell Russian and Iranian arms. The foreign minister's aim was to upset Camilion, but what he did actually wound up impacting the entire administration. He flippantly chose a scapegoat, explaining that Fernando Petrella had led him into an error, and began to question whether the deputy foreign minister can become UN ambassador "as had been foreseen." As uneasiness mounted, the president reacted with esprit de corps, but his spokesmen, Rodolfo Barra, Jorge Rodriguez, and Corach, added some far from credible words to the story. They contended that the administration had been deceived, hoping that naivete or negligence would be forgiven. Behind all of this empty verbiage there would seem to be a handful of truths that are difficult to refute:

—The clandestine sale of arms was authorized by a secret decree of 24 January 1995, signed by Camilion, Di Tella, and Cavallo.

—On 17 February 1995, Brigadier Jorge Paulik notified Camilion about the possibility of an arms shipment to Ecuador. No one knows how much attention the minister paid to this warning.

—The weapons were transported at all times in army trucks.

—Neither the Foreign Ministry nor the Defense Ministry noticed that the shipments, which were hypothetically destined for Venezuela, had scheduled stops in Guayaquil.

—At the time Ecuador was at war with Peru; Guido Di Tella was serving as a mediator in the conflict, and Argentina was a guarantor between the parties under the 1942 Rio De Janeiro Protocol.

—This very week Di Tella admitted that the episode has severely tarnished the country's image.

None of the people involved has as yet acknowledged responsibility for any of the above facts. It is anybody's guess what might happen in the government if it were discovered that Argentina's involvement in the clandestine sale of arms to third countries also included issuing forged final-destination certificates.

Argentina: Arms Sales Decrees Under Menem, Alfonsin Listed

96SM0285A Buenos Aires CLARIN in Spanish 2 May 96 p 6

[FBIS Translated Excerpt] **The Secret Operations**

The Alfonsin Government

- Decree 1723-84. Sale to Iran of 155 mm. artillery pieces, 200 artillery rounds and 100 radar surveillance units.

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%Decree 987-85. Sale to Iran of two Pampero rocket launchers and 56 rockets, one Pucara aircraft and 10 Argentine medium tanks.

%Decree 988-85. Sale to Iran of demonstration equipment: binoculars and electronic equipment.

%Decree 1738-85. Sale to Peru of illuminating shells.

%Decree 1896-85. Sale to Bolivia of 1,000 automatic pistols, 2,000 rifles and 27 mortars.

%Decree 1977-85. Sale to Bolivia of 1,800 high-explosive bombs, 5,000 Aspid rocket motors, 50 launchers.

%Decree 1978-85. Sale to Iran of 1,500 rockets with seven launchers.

%Decree 1995-85. Sale to Iran of 28 Pampero air-to-surface rockets, 48 Pampero surface-to-surface rockets, and 10 anti-tank missiles.

%Decree 1999-85. Sale to Iran of 105 mm. artillery shells, 7.62 mm. ammunition, an armored personnel carrier, a tank and a repair shop.

%Decree 59-86. Sale to Kenya of 1,100 tons of gunpowder. Urban GMBH acted as intermediary.

%Decree 307-87. Sale to Iran of rocket fuel. Pradesa acted as intermediary.

%Decree 516-87. Sale to Peru of 20,000 spare parts for 55 mm. rockets and 4,000 rocket motors. Ingenieria Monex acted as intermediary.

%Decree 852-87. Sale to Iran of 600,000 molds [forjas] for artillery ammunition and 1,400 tons of gunpowder. The firms Pradesa and Tactisian International Corporation of Panama acted as intermediaries.

%Decree 1637-87. Sale to Denmark of a Sea Lynx helicopter. Tornasa acted as intermediary.

The Menem Government

- Decree 1199-89. Sale to Pakistan of 70,000 fuses for mortar shells. Commerce International acted as intermediary.

%Decree 1697-91. Sale to Panama of 20,000 pistols, 8,500 submachine-guns, 19,000 FAL [light assault rifles], and 17 million rounds of ammunition. Debrol S.A. acted as intermediary.

%Decree 2283-91. Sale to Panama of 2,300 submachine-guns, 23,000 FAL, 2,800 rifles, and ammunition, land mines and mortars. Debrol S.A. acted as intermediary.

%Decree 1633-92. Sale to Bolivia of 4,500 pistols and 3,000 rifles.

%Decree 2719-92. Delivery of Condor missile parts to the United States.

%Decree 47-93. Sale to Sri Lanka of four Pucara aircraft with spare parts.

%Decree 1903-93. Delivery of additional for the Condor missile parts.

%Decree 103-95. Sale to Venezuela of 36 artillery pieces, 8,000 FAL, 10,000 pistols, 350 mortars, and several million rounds of ammunition. Hayton Trade acted as intermediary.

%Decrees 298 and 299 of 1996. With these decrees, the government suspended previous decrees authorizing arms sales to Panama and Venezuela. [passage omitted]

Argentina: Di Tella Writes To Falklands Residents

PY1105031796 Buenos Aires TELAM in Spanish 2246 GMT 9 May 96

[FBIS Translated Text] Buenos Aires, 9 May (TELAM) — Argentine Foreign Minister Guido Di Tella has sent a letter to the residents of the Malvinas Islands saying that Argentina and Great Britain are approaching the point at which it will be possible to find acceptable solutions to the conflict over the sovereignty of the islands. In his letter to Juanita Brock, director of the TEABERRY EXPRESS weekly published in the islands, Di Tella emphasized: "I honestly believe that we are approaching the point at which differences should be molded [orientadas] to seek an acceptable solution."

The letter, dated 19 April, was fully transcribed as "a service to the community" in the Letters from Readers section of issue 34 of the weekly released in the Malvinas Islands during the last week of April.

The Argentine foreign minister stated in his letter that "on 21 April you (the islanders) will be celebrating the birthday of your queen. This will be a special occasion because Her Majesty will be celebrating her 70th birthday as a person admired and respected the world over." He added: "As last year, I would like to convey my congratulations, out of respect for yourselves, your laws, and feelings."

For the British, the celebration of the birthday of their queen is a national festivity.

Di Tella stated: "I would also like to tell you that we are approaching the point at which differences should be molded to find an acceptable solution."

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Brazil

Brazil: Data Sought on Effects of Helms-Burton Law

PY1005033796 Madrid EFE in Spanish 1813 GMT 9 May 96

[FBIS Translated Text] Brasilia, 9 May (EFE) — The Brazilian Foreign Ministry has asked business associations to report on the losses provoked by the eventual application of the Helms-Burton Law, with which the United States intends to expand its embargo on Cuba outside its territory. The law, which punishes international investments in Cuba, was put into effect in the United States a month and a half ago. It also affects the interests of third countries, which complained against it because they consider it a violation of their sovereignty.

Brazil's main concern is the interests of the tobacco business of the Brazilian company Souza Cruz, which has made a $120-million investment in Cuba, and which is linked to the British America Tobacco Company. Souza Cruz, however, has thus far not reported any news.

The Brazilian Foreign Ministry Trade Department has asked the Brazilian Foreign Trade Association; the National Confederation of Industry, CNI; and the Sao Paulo State Federation of Industries to report on eventual losses caused by the application of this law, named after the conservative U.S. senators who drafted it.

Brazil: No Effects Shown 'Thus Far' From Helms-Burton Law

PY1005224596 Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 96 p A12

[FBIS Translated Text] A month and a half after the administration in Washington implemented the Helms-Burton Law against Cuba, the Brazilian Foreign Ministry, Itamaraty, has made a preliminary evaluation that demonstrates no Brazilian company has thus far been affected by the law. According to diplomatic sources, the Foreign Ministry has still not received any complaint from Brazilian companies that carry out business with Cuban firms.

The Brazilian Foreign Ministry economic department has carried out a study on the eventual economic effects that the new U.S. law could have on Brazil. Itamaraty has asked the National Confederation of Industry (CNI), the Sao Paulo State Federation of Industries (FIESP), and the Brazilian Foreign Trade Association (AEB) to report on eventual losses.

The Foreign Ministry was concerned about the only important Brazilian investment in Cuba, which is that of Souza Cruz tobacco company, which has a partnership with British American Tobacco company.

The businesses of Souza Cruz, which has invested $120 million in Cuba, have not been affected because the group did not purchase properties that had been confiscated from U.S. companies or that belong to Cuban exiles in the United States.

As for Brazilian exports to Cuba, they are apparently not affected by the law.

Brazil: Cardoso Rejects Occupation of Finance Ministry

PY1005151296 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 May 96

[FBIS Translated Text] Public employees on strike have occupied the Finance Ministry in Brasilia. The federal administration has asserted that it will only negotiate with the striking public employees after they leave the building. Nearly 1,000 public employees occupied the Finance Ministry in Brasilia on 9 May. Some 250 employees occupied the fifth floor of the building, where Minister Pedro Malan's office is located. The other public employees surrounded the building.

Federal Police and Military Police contingents have kept the order and ensured protection for the government officials who had to leave the building by the back door because the demonstrators were blocking all entrance and exit doors. Minister Malan refused to negotiate with the striking employees until they leave the building. He agreed, however, to receive a group of congressmen for talks. The demonstrators refused to evacuate the area and decided to remain in the building until 10 May.

As a result of the demonstrations, the ceremony in which the new secretary for economic coordination would be installed on the morning of 10 May, had to be postponed.

President Fernando Henrique Cardoso has deemed the occupation of the Finance Ministry by the public employees who are on strike unacceptable. Presidential spokesman Sergio Amaral said that this sort of attitude shows that, unfortunately, there are still some people who are not ready for a democratic coexistence. Amaral also said that it is up to the administration to prevent that type of demonstration from occurring and that the federal administration should take legal measures to solve the difficulty.

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Brazil: Cardoso Signs Decrees Expropriating Land

PY1005144396 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 May 96

[FBIS Translated Text] The federal administration has expropriated land in 16 states in order to settle more than 6,000 families. President Fernando Henrique Cardoso has signed 54 decrees expropriating land in 16 states: Acre, Para, Pernambuco, Ceara, Goiais, Minas Gerais, Santa Catarina, Rio Grando do Sul, Maranhao, Mato Grosso, Espirito Santo, Alagoas, Sergipe, Piaui, Tocantins, and Paraiba. The expropriated area totals 221,174 hectares and 6,532 families will be settled there. Paraiba State had the largest number of expropriated farms: 15. More than half of the expropriated land is located in Mato Grosso State: 111,791 hectares. Mato Grosso will also have the largest number of families benefiting: 3,187. The decrees expropriating the land will be published in today's issue of the DIARIO OFICIAL DA UNIAO.

Brazil: PSDB Deputies Criticize Cardoso's Administration

PY1105024396 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 May 96 Section 1 p 5

[Report by Denise Madueno in Brasilia]

[FBIS Translated Text] PSDB [Brazilian Social Democracy Party] deputies yesterday met and criticized the Fernando Henrique Cardoso administration. They claimed that they had been excluded from the formulation and coordination of government policies.

Deputy Arthur Virgilio Neto (AM) [Amazonas], secretary general of the PSDB, said: "We want the PSDB to be accorded the respectful treatment to which it is entitled as a party, not just as a bloc that supports the administration."

Deputy Joao Leao (PSDB-BA) [Bahia] criticized the very actions of the administration. He said: "There is no leadership. Some organizations are stagnant, either because of shortage of money or lack of a policy for the respective sector." Leao claimed that the administration has not yet implemented a tax reform and that it is only implementing short-term policies.

To illustrate his point, Leao said: "After failing to formulate an agrarian policy during its 18-month-old tenure, the administration is now seeking to solve the problem overnight following the massacre of peasants in Para State."

According to those who attended the meeting, the PSDB deputies demanded a greater role in formulating government policies, but no one mentioned anything about posts in the administration. Neto said: "The PSDB bloc wants to be better informed, and wants its opinion to be heard."

The immediate cause of the dissatisfaction vented by the PSDB deputies was the creation of the office of special minister for political coordination, which was entrusted to Deputy Luiz Carlos Santos (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo].

The PSDB deputies noted that the government leaders in the Chamber of Deputies and the Senate are from the PFL [Liberal Front Party] and that either PFL or PMDB deputies have been designated to serve as rapporteurs of bills being debated in the house.

Deputy Ubiratao Aguiar (CE) [Ceara], deputy leader of the PSDB, said: "We want our opinions to be heard before decisions are made on issues because we have been excluded from the decisionmaking process."

PSDB leader Jose Anibal (SP) denied the reports that the PSDB bloc is disattisfied with the president. Anibal said: "The bloc just reaffirmed that the time has come for the party to play a greater role."

Deputy Arnaldo Madeira (PSDB-SP), the government's deputy leader, described the meeting as "mature." In his opinion, the evaluation made yesterday shows that the PSDB has been hit by the cabinet changes made by President Fernando Henrique Cardoso.

Brazil: Sense of 'Pessimism' Said Prevailing in Economy

PY0805141896 Rio de Janeiro JORNAL DO BRASIL (Business and Finance Supplement) in Portuguese 5 May 96 p 5

[From the "Economic Report" column by Guilherme Barros]

[FBIS Translated Text] A sensation of pessimism has prevailed in the economy in the past few days. The figures that began to be released regarding economic performance for the first quarter of the year indicate a situation worse than what was expected. Everybody began to recalculate their GDP projection figures. Until very recently, the administration and many economists worked with a scenario of a 4 percent GDP growth rate. Nowadays, nobody even mentions this figure anymore.

"The economy this year will grow less than 2 percent," said Lauro Vieira de Faria, chief editor of the magazine CONJUNTURA ECONOMICA [Economic Situation], published by the Getulio Vargas Foundation of Rio de Janeiro. "The administration should not be so concerned with inflation. It should adopt bolder measures to resume economic growth," he said. For Vieira de Faria, the

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administration should reduce the legal bank reserves as well as the banking interest rates.

The figure that most worried economists last week was the unemployment rate announced by the IBGE [Brazilian Geography and Statistics Institute] on 2 May. The 6.38 percent unemployment rate for March was far greater than the most pessimistic forecasts, and constituted the strongest indication that the ghost of recession is already looming over the economy. Other indicators will also demonstrate the same thing next week. For example, the industrial sales index measured by the CNI [National Confederation of Industry], which will be announced next week, has dropped considerably. "We are more pessimistic now," said CNI economist Flavio Castello Branco. The industrial production index measured by the IBGE in March, which will also be announced next week, will be even worse. Industrial production has dropped by nearly 10 percent during the first quarter of the year.

Some economists, however, believe that what is happening now is only a matter of statistical effect. That is, given the fact that the economy grew very steeply during the first quarter of 1995, based on comparison, the new figures will not be encouraging at all. "During the second half of the year, when exactly the opposite will happen, the economic indexes will be much better," says Estevao Kopschitz, an economist with the Macrometrica consulting firm. This is why he maintains the 3 percent economic growth rate he estimated for this year, although he now admits to having slightly lower estimates. "I feel that the economic growth rate will range between 2 and 3 percent," says Paulo Levy from the IPEA [Applied Economic Research Institute]. The worst thing, however, is that a 2 percent economic growth rate for Brazil really means that the economy will not expand. The reason for this is very simple. It represents the same figure as the percentage of the population joining the labor market every year. Therefore, Brazil needs to grow more.

Brazil: Sao Paulo Mayor Views PPB Role in Government

PY1005181596 Rio de Janeiro O GLOBO in Portuguese 6 May 96 p 3

[Interview with Sao Paulo Mayor Paulo Maluf by Germano Oliveira; place and date not given]

[FBIS Translated Excerpt] [Oliveira] Does your recent criticism of the government mean that the Sao Paulo mayor will oppose President Fernando Henrique Cardoso?

[Maluf] President Fernando Henrique Cardoso has had many victories. It is not easy to fight inflation. It demands great sacrifice. Inflation has unfortunately sacrificed three major pillars. The first one is agriculture. For two years now, farm product prices have remained unchanged, while the price of inputs has grown. The second pillar is the export sector. It is deceitful to conceive of an export policy with the value of one real being equal to one dollar. The third pillar is the sector of unemployed workers. We do not see the government making the same sacrifice. Privilege has not ended.

[Oliveira] Do you think the president is doing well and the government is doing bad?

[Maluf] We have a patriotic president. There is nothing wrong with him. I am just confirming two facts: Health Minister Adib Jatene has kneeled down to implore the approval of his plan. I am in favor of giving 5 billion reals [R] to Minister Jatene, but I am against the Provisional Tax on Financial Operations, the CPMF. If the government could give $39 billion to banks, why doesn't it have R5 billion for the health sector? Some types of aid are easily obtained, while others are ignored. There are two Brazils. One of them is the real Brazil, the Brazil of Minister Jatene, in which the health sector is in the intensive care unit. The other is the imperial Brazil.

[Oliveira] Will the fact that the PPB [Brazilian Progressive Party] have a ministry prevent criticism of the government of Fernando Henrique Cardoso?

[Maluf] To vote in favor of the government I need no pay. Even with the ministry, I may oppose many federal government proposals. For example, in the minimum wage issue the government did not do the right thing. The adjustment should have matched cost of living indexes, which are miserable. No one can do anything with R112.

[Oliveira] The government claims it has no funds to pay a larger increase. Why don't lawmakers approve the reforms proposed by the government?

[Maluf] Our party has never refused to vote on anything. It is Civilian Household Chief Clovis Carvalho and the presidents of the Chamber of Deputies and the Senate who must say why the reforms have not been approved. My party has not refused to do anything in particular. With or without a ministry, the PPB will vote for the presidential proposals that are good for Brazil.

[Oliveira] Some parties, however, want to exchange their support for government posts.

[Maluf] We did not ask for anything. Francisco Dornelles will join the government in response to a personal invitation from the president.

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[Oliveira] It is said that you had to swallow Dornelles' designation to a government post. Would you prefer to remain in opposition to President Cardoso?

[Maluf] Actually, I did not oppose Dornelles' designation. Paulo Maluf needs no pay to vote for the things that are good for the country. Nobody is for sale. That is closer to the movie "Indecent Proposal." That type of insinuation shocks me. There is apparently no love for the fatherland. They are advocating the use of double standards, but to no avail. I do not agree to that. I have held the post of mayor of Sao Paulo for three years and four months. During this period, I lost 50,000 employees. I did not hire anyone. I am not engaged in charitable policy. If anyone wants to vote for Paulo Maluf in order to obtain a job, he should give up.

[Oliveira] Does the PPB still support reelection?

[Maluf] Only for future government leaders. Advocating reelection would not be ethical for us, because we were elected without the right to reelection. My case was different. In light of the high popularity indexes I had, I said I would not be afraid of running for reelection.. But the reelection amendment will not be approved. President Fernando Henrique Cardoso is an ethical man. Advocating reelection would entail the false application of principles. Cardoso will not advocate it because he is an ethical person.

[Oliveira] Will the PPB also oppose the government in the case of the summary proceedings for land reform?

[Maluf] Expropriation calls for previous fair compensation, in cash. I do not believe it is either fair or legitimate to expropriate land with paying the owners. Doesn't the government have a program for settling thousands of families with the current legislation? Therefore, the summary proceedings are not necessary.

[Oliveira] How will the tension in rural regions be eased?

[Maluf] They want to impose the idea that production will be increased if more farmers are settled. I would like them to explain to me why the United States, the world's top food producer, has 1.8 percent of its population in rural regions. Increasing production calls for technology. It is not the arms of landless farmers which will resolve this with a hoe.

[Oliveira] Do you believe the creation of the Land Reform Ministry will resolve the land problem in Brazil?

[Maluf] We will see that in the future. Yet we cannot resolve the complex agrarian situation under a political urge, serving clumsy ideology. If this had been a successful formula, Yugoslavia would have been a paradise, and Russia would have not needed the help of the IMF and the Paris Club to avoid going broke.

[Oliveira] Can tension in the field produce other massacres of landless rural workers?

[Maluf] The massacre in Eldorado de Carajas shows the total unpreparedness of Para State authorities. I was governor of Sao Paulo and during my administration there was not a single death. During my administration, the antiriot squad used shields and clubs. I have never seen a highway being cleared with soldiers armed with machine guns. Yet we cannot blame Brazil for this deplorable incident.

[Oliveira] Your adversaries claim that in order to arrange the transfer of the Sao Paulo municipal debts to the federal government (of R3.3 billion), you will back some federal government initiatives. Is it true?

[Maluf] President Cardoso and I united against bankers, because, actually, the agreement that will guarantee the Sao Paulo debt with federal bonds will produce $100 million savings per year — in unpaid interest — to the municipal government. This will allow me to make more projects and create more jobs in the city.

[Oliveira] Is the Cardoso government on the right course?

[Maluf] In the area of federal investment, Brazil is stagnant. We must urgently fight unemployment. We must create 2 million jobs for the youths who join the market. Considering that $50,000 is needed to create one job post, we will need $100 billion annually to create that number of jobs. This is a lot of money. This is why we have to orient public investment toward projects that generate jobs — instead of using it for paying the salaries of servants, who in many Brazilian cities are friends and relatives of the authorities. [passage omitted]

[Oliviera] Do you already have a presidential candidacy project?

[Maluf] Antonio Contijo de Carvalho, a well known Mina Gerais citizen, used to say the following: We must be careful in a barbecue. Those who are in a hurry will eat raw meat, while those who arrive late will burn their tongues. Today I want only two things: completion of my term as the best mayor of Sao Paulo, and success for President Fernando Henrique Cardoso. Doing a good job here in Sao Paulo will lead nowhere if nothing is done in the rest of Brazil.

[Oliveira] Will your late mother's dream to see her son at Planalto Palace come true?

[Maluf] My mother strongly wanted that. She properly trained me and educated me. I held all public posts in

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Sao Paulo. I could be better than the others. Today I am better prepared. Years have passed, and I never stopped studying. I read two hours every night. Other Brazilian municipal administrations can be as honest as mine, but never more honest than mine. [passage omitted]

Oliveira] Do you think the PT [Workers Party] will win the elections in Sao Paulo?

[Maluf] I don't believe the Sao Paulo people will do like Christ, who offered his cheek twice.

Brazil: Coalition Not To Influence Local Election

PY1105033896 Sao Paulo GAZETA MERCANTIL in Portuguese 7 May 96 p A7

[Article by Maria Ines Nassif in Sao Paulo]

[FBIS Translated Text] There is a consensus among political leaders that the federal administration will not play a major role in the October municipal election, and that the outcome of the election will not affect the federal administration's power structure. Yet, the cards that are beginning to be played in major capital cities are giving us a hint as to what the ultimate objectives of the players are: Any position gained by regional leaders at this time will be essential for the next electoral stage, the 1998 race, when the most important political offices will be at stake; that is, those of governors and of the president of the Republic itself.

In major capital cities like Rio de Janeiro, Sao Paulo, and Belo Horizonte, the federal administration could influence the electoral process as soon as the campaign is opened and the electoral campaign gets under way. This, however, will not happen in smaller cities. Deputy Prisco Vianna (PPB-BA) [Brazilian Progressive Party-Bahia] said: "Local realities and divisions will prevail. Not even political parties carry too much weight." In Bahia, a clear division exists between "pro-Carlos" and "anti-Carlos;" that is, between friends and foes of Senator Antonio Carlos Magalhaes [Liberal Front Party, PFL]. It was Magalhaes who got a dark horse like Paulo Souto elected governor of Bahia. Magalhaes is now expected to repeat the feat this time by getting Antonio Imbassahy, president of Eletrobras [Brazilian Electric Power Company, Inc.], elected as mayor of Salvador.

National issues are not playing any role in this election, to the extent that, during the first round, in only a few capital cities will the PSDB [Brazilian Social Democracy Party] be able to work out such a comprehensive alliance like the one now backing the federal administration. Rio de Janeiro Governor Marcello Alencar is trying to work out an alliance similar to the one existing at the federal level, but he is only succeeding after allowing the PMDB [Brazilian Democratic Movement Party] to take part in his administration.

In Sao Paulo, the PSDB, PFL, PPB, PTB [Brazilian Labor Party] and other smaller parties supporting the federal administration are also expected to go separate ways for the first round of the municipal election. From a regional standpoint, neither Governor Mario Covas nor Sao Paulo Mayor Paulo Maluf is interested in a PSDB-PPB alliance. Tired of waiting for a PSDB decision, the weak Sao Paulo PFL branch is threatening to nominate its own mayoral candidate.

While the national situation is not expected to influence the municipal election, one may not yet conclude that the outcome of the municipal election will not influence general and federal elections. For instance, it will be up to Maluf's skill to consolidate his position in the state of Sao Paulo, which would be paramount for the 1998 presidential election. In the meantime, if the PSDB — which already has a weak structure at the municipal level — further loses strength in the October municipal election, it would be endangering its future position.

Brazil: Poll Shows Government Parties Ahead in Sao Paulo

PY1005120796 Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 May 96 p 1-8

[FBIS Translated Text] A poll carried out by Datafolha in 13 of the principal cities of Sao Paulo State shows that the government party alliance leads in the municipal election race in most Sao Paulo cities.

The so-called leftist parties of the political spectrum lead in only four cities. The PT [Workers Party] leads in Santos, Santo Andre, and Diadema (where the PSDB [Brazilian Social Democracy Party] comes second). The PSB [Brazilian Socialist Party] (which split from the PCB [Brazilian Communist Party]) leads in Piracicaba.

In three of those cities, the elections will possibly be decided in the first electoral round, to take place on 3 October.

The PSDB, which is the party of President Fernando Henrique Cardoso, leads in two cities (Sorocaba and Campinas), and it has good chances of winning in Franca and Jundiai.

The PTB [Brazilian Labor Party], which is another member party of Cardoso's congressional support base, is strong in three cities: Sao Jose do Rio Preto, Sao Caetano do Sul, and Jundiai, where it is engaged in a fierce race with the PSDB.

In Sao Caetano, PT candidate Luiz Tortorello is ahead in the polls, with 61 percent of the voters' preference.

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The PFL [Liberal Front Party] leads in two cities: Riberao Preto and Sao Bernardo do Campo.

Riberao Preto, which is currently administered by a PT mayor (Antonio Palocci Filho), could be administered by a PFL mayor, who might be Duarte Nogueira, Jr. He heads the polls with 37 percent of the voters' preference.

In Sao Bernardo do Campo, the home of the PT, a PFL candidate, Tito Costa, is ahead of his opponents. He has 35 percent of the voters' preference. Coming in second is Waldir Cartola (PTB), with 16 percent.

In Sao Jose dos Campos, the polls show that the PT will lose the administration it now holds to the PMDB [Brazilian Democratic Movement Party].

The administration of Angela Guadagnin was undermined by corruption charges. The situation now favors Pedro Yves (PMDB). According to the polls, 32 percent of the citizens would vote for him.

Yves, however, comes second in the rejection poll: 24 percent of the voters say they would never vote for him. Edmilson Rogerio de Oliveira (PT) has only 1 percent of the people's vote, as polled by Datafolha.

The main candidates for mayor of Diadema, who are practically even, are Gilson Menezes (PSB), who is a former PT member, and Jose Augusto da Silva Ramos (PT); the two have 45 and 43 percent of the voters' preference, respectively. The current mayor of Diadema is Jose de Filippi Jr., from the PT.

The PT leads overwhelmingly in Santos, where former Mayor Telma de Souza has 51 percent of the voters' preference; this could make her mayor in the first electoral round.

She has a 37-point advantage over her main opponent, Oswaldo Justo (PMDB), who has 16 percent of the voters' preference.

In Santo Andre, the PT also leads by a broad margin. Celso Daniel has 62 percent of the voters' preference. The candidate in second place in the polls is Duilio Pisaneschi (PTB), with 10 percent.

Brazil: PSDB Candidate for Rio Mayor Suggests Alliance

PY1005120696 Rio de Janeiro O GLOBO in Portuguese 6 May 96 p 4

[FBIS Translated Text] Concerned with the rising popularity of PDT [Democratic Labor Party] candidate Miro Teixeira (who, according to the last Datafolha poll, has 18 percent of the voters' preference), PSDB [Brazilian Social Democracy Party] hopeful Sergio Cabral Filho yesterday appealed to the unity of all parties that "are committed to the development of the city" in the race for Rio de Janeiro mayor. The message was intended for the allies of President Fernando Henrique Cardoso: the PFL [Liberal Front Party], PTB [Brazilian Labor Party], PMDB [Brazilian Democratic Movement Party], and the PPB [Brazilian Progressive Party].

According to Datafolha, Miro Teixeira and Cabral Filho — the latter with 17 percent of the voters' preference — are technically in a tie. They are followed by Sandra Cavalcanti (PFL), who has 15 percent of the voters' preference; General Newton Cruz (PSD) [Democratic Social Party], with 11 percent; and Chico Alencar, from the PT [Workers Party], who has 5 percent. This is the first time Miro Teixeira has led in the polls.

"Miro Teixeira has demonstrated affinity with Brizola's positions. We must unite not against Miro or against Brizola's positions, but in favor of Rio de Janeiro, independently of the poll results. I consider myself the best prepared candidate to head such an alliance," said Cabral Filho, stressing that this is a technical tie.

Faithful to a strategy of avoiding controversies to prevent attacks from his opponents, Miro Teixeira was forced to comment on the figures (according to which null, blank, and undecided vote figures amounted to 36 percent).

"Every good result is welcome. But our practice is to bet on the election results," Teixeira said.

Teixeira also declined to respond to comments made by Municipal Secretary Sandra Cavalcanti, who expressed surprise at Teixeira's increase in popularity "despite the weak position of the Brizola followers."

"The political scene cannot be taken over by gossip. Rio de Janeiro deserves something better," she said.

Cavalcanti, however, again denied her own candidacy. Gen. Newton Cruz took the opportunity to declare himself the "real leader in the polls."

"Those who would vote for Cavalcanti will not vote for either Teixeira or Cabral Filho. They will vote for me. Therefore, I am at the head," Newton Cruz said.

In other election simulations in which the name of Cabral Filho was replaced by Marcio Fortes and Ronaldo Cezar Coelho, both from the PSDB, Teixeira's possibilities increased further. In one simulation he leads with 21 percent of the voters' preference, while Cavalcanti has 16 percent, Gen. Newton Cruz 13 percent, Ronaldo Cezar 6 percent, and Chico Alencar 5 percent. Null, blank, and undecided votes amounted to 38 percent.

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Teixeira also leads with 21 percent in a simulation that includes Marcio Fortes (3 percent). In this case, Cavalcanti has 17 percent of the voters' preference, Newton Cruz 13 percent, and Chico Alencar 6 percent. Null, blank, and undecided votes amount to 41 percent.

Second in the Datafolha poll, Gen. Newton Cruz suffers the greatest electoral rejection rate: 32 percent. After him comes Cavalcanti (28 percent), Teixeira and Ronaldo Cezar (both with 19 percent), Marcio Fortes (14 percent), and Sergio Cabral Filho (13 percent). Datafolha interviewed 640 voters on 24 April to conduct this poll.

Brazil: Air Minister on Balance of Forces, Drugs

96SM0278B Sao Paulo REVISTA FORCA AEREA in Portuguese No. 1, 1995 pp 8-14

[Interview with Air Force General Mauro Jose Miranda Gandra, minister of air; date and place not given: "Straight From the Cockpit"]

[FBIS Translated Text] *Air Force General Mauro Jose Miranda Gandra was born in Rio de Janeiro in April 1933. He attended EPCAR (Air Cadet Preparatory School) in 1949 and the Air Force School in December 1954. He served in various air units, most notably as supply officer in the 1st GAE (Carrier Aviation Group), commanding officer of the GTE (Special Transport Group), commanding officer of Ecemar (Air Force Command and Staff School), director of Dirma (Air Force Materiel Directorate) and Dirmab (Air Force War Materiel Directorate), general director of the DAC (Civil Aviation Department), and Air Force chief of staff. A full career. In January 1995, he took office as minister of air. Dedicated and conscientious, Gen. Gandra knows that he will have to do a lot with a little. But in only one year, he has already made it clear that under his command, the Brazilian Air Force will be an extremely important priority.*

[REVISTA FORCA AEREA] How do you see the balance of forces in the skies of South America as far as equipment, training, and professionalism are concerned?

[Gandra] South America's air forces have many features in common due to the very situation of the continent's countries. That being the case, we generally see a very strong picture of budget restrictions making it difficult to acquire modern combat platforms, the result being a need to keep some aircraft in service for more than 20 years.

In that situation, the balance of air power is in relative equilibrium as far as most of the countries are concerned.

Aircraft of a more modern generation, such as Venezuela's F-16's, Peru's Mirage 2000's, and our A-1's, are exceptions. Some air forces have been attempting to revitalize and modernize their aircraft, outstanding examples of this being Chile's Mirage 50's and the Argentina A-4 project.

Some countries on the continent have been using the resources of their air forces to deal with the rise in illicit activities. In that area, Colombia is outstanding because of the use of its latest-generation helicopters: Black Hawks, the most modern in use in South America.

The air forces have been struggling to keep their personnel and equipment in favorable operational condition despite the above-mentioned lack of funds. To get around that difficulty, they have been following the practice of interchange and interforce operational training.

[REVISTA FORCA AEREA] The fall of the Berlin Wall resulted in the idea that the role of the Armed Forces should be reexamined. But while detente between the big powers has developed favorably over the past seven years, the emergence of small conflicts on almost every continent has become a constant. The most recent conflict in Latin America—between Peru and Ecuador—brought the touchy problem of the Amazon Region to the surface. What is your opinion of Brazil's stand on geopolitics on the continent and in the world?

[Gandra] To my knowledge, the fall of the Berlin Wall has not—and could not—give rise to a reexamination of the role of the Armed Forces. They are permanent institutions with similar purposes as defined in the constitutions of all the countries that have them. But what the fall of the Berlin Wall did bring about was a redefinition of strategies and some priorities, especially by the United States and European countries.

As regards Brazil's stand on geopolitics on the continent and in the world, I believe that such a question would be more appropriately addressed to the Ministry of Foreign Affairs, which is responsible for the conduct of our foreign policy. Certainly Brazil does not have, and has never had, thoughts about continental hegemony: it cultivates cooperation and friendship with our neighbors. But because of its territory and potentiality, it is natural that Brazil should be participating increasingly in the solution of major world problems.

[REVISTA FORCA AEREA] How do you fit the FAB [Brazilian Air Force] into the South American scene? Are there systems or items of equipment that you consider necessary if it is to preserve a situation of equilibrium?

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[Gandra] At present, the FAB's combat strength is not consistent with the territorial size of Brazil in the South American context.

If we analyze the percentage of GDP [gross domestic product] devoted to the Brazilian Armed Forces for defense purposes, we see that it is among the lowest in Latin America. Consequently, that comparison demonstrates that in relative terms, our Air Force is one of the most poorly equipped.

Some South American air forces possess aircraft that are outstanding even in the First World, examples being the F-16 or the Mirage 2000. Others are equipped with aircraft of the same average age as ours, but they have modernized theirs, thus improving that equipment's efficiency and ability to survive in a hostile environment.

To improve the FAB's fighting ability enough to achieve a situation of equilibrium in the South American scene, it is necessary to increase the number of combat aircraft without losing sight of quality.

To do that, contracts will be signed this year—1995—for developing the Light Attack Aircraft (ALX), which is derived from the Super Tucano, and modernizing our F-5's. Other acquisition and modernization projects will be started at a rate dictated by the availability of funds.

The important thing is that despite the difficulties, every step is being taken to maintain the operational efficiency of our squadrons while also continually improving doctrine and optimizing procedures with a view to causing the FAB to grow in efficiency and effectiveness.

Equally important is the fact that Brazil has a modern and capable industry as well as an airport and flight protection/air defense infrastructure of the best quality, even in comparison with the First World countries.

[REVISTA FORCA AEREA] What are the main problems being faced by the Air Force in the skies of the Amazon Region, and how will Sivam [Amazon Region Surveillance System] change that picture? Will there still be shortcomings in coverage of the region, or will Sivam make total control of Amazonian airspace possible?

[Gandra] Adequate communication between the monitoring stations and the aircraft flying in the Amazon Region is not possible at present. This problem is due to the shortage of equipment allowing communications coverage for aircraft flying at low and medium altitudes (around 3,000 meters).

The monitoring stations also lack CRT's for displaying air traffic in the region except in areas near Belem and Manaus and, thanks to Sivam, the areas around Sao Gabriel, Boa Vista, and, very soon, Tabatinga.

Sivam is not a Ministry of Air project, and much less is it an exclusive solution to the problems faced by the Air Force in the Amazon Region. But thanks to its Telecommunications Subsystem, which is composed basically of networks for telephony and the transmission of text and faxes and networks of VHF/UHF stations for ground-to-air communications, it will provide the necessary means of communication for monitoring all the aircraft flying in that region.

Sivam will also have fixed and transportable radars making systematic surveillance of the Amazon Region possible, and it will have airborne radars for the surveillance of specific areas, thus guaranteeing that aircraft will be visible in their coverage areas regardless of altitude.

By making it possible to see and effectively monitor the Amazon Region's airspace, the system described above will free the Ministry of Air from having to make investments for that purpose in the region, since the funds allocated to the project will come from the Secretariat of Strategic Affairs.

[REVISTA FORCA AEREA] Drug trafficking both inside and outside our borders has been turning increasingly into one of the nation's chief enemies. It has already been shown that society's civilian forces are not successful in standing up to that threat, especially in view of the increasing sophistication being demonstrated by the drug traffickers as regards both methods and equipment. When Sivam becomes active, it will be possible to detect and identify the air routes commonly used by the drug traffic. What will be the next step?

[Gandra] In the civilian sphere, the Ministry of Air has been increasingly effective in controlling Brazilian airspace, thereby cooperating with the Ministry of Justice in the fight against the drug traffic. The more effective our control of airspace is, the harder it will be for aircraft involved in illicit activities to move through that space.

Currently, thanks to Cindactas [Combined Air Safety and Air Traffic Control Centers] I, II, and III, the Ministry of Air has the ability to effectively control airspace in the South, Southeast, Center-West, and Northeast Regions. The next step will be to expand that control to the Amazon Region. Most of the concerns are focused on that area because of its large territorial expanse and the shortage of infrastructure—most economic and social activities are based essentially on air transport. And drug traffickers, smugglers, and those engaged in other illegal activities also use aircraft to achieve their objectives.

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Support for the legal activities essential for the region's development and the national interest that is served by preventing the movement of aircraft involved in illicit activities point to the need for a more intensive presence by the Ministry of Air in the Amazon Region.

As an instrument of the Amazon Region Protection System (Sipam), the Amazon Region Surveillance System (Sivam) will make it possible, thanks to the installation of a complex telecommunications system, for the Ministry of Air to exercise surveillance and effective control of air traffic movements in the region, thus ensuring safe and efficient operation by civilian and military aviation while also hindering or even preventing illegal flights and the operation of illegal landing fields.

In short, the Ministry of Air will participate and cooperate with the government agencies involved in combating the drug traffic by effectively controlling national airspace and using its equipment in accordance with its constitutional duties.

[REVISTA FORCA AEREA] Recent major conflicts such as the Vietnam War, the Yom Kippur War, the Falklands War, and the Gulf War witnessed the introduction of extremely sophisticated weapons such as smart missiles and bombs, which increased the offensive capability of combat aircraft, as well as the widespread use of electronic countermeasures. Do you feel that the FAB has been keeping up with that transformation, and, in your opinion, what priority measures need to be adopted to do so?

[Gandra] Studies are constantly being conducted by the Air Force General Staff through its Committee for Monitoring the Configuration of Weapon Systems (CCCONF) for the purpose of maximizing our platforms and keeping up with the technological changes being imposed on us by today's world.

In recent years, everything we have been able to do has been in the field of research and development in connection with methods relative to the training and employment of the Air Force. But the deterioration in operational efficiency—a reflection of the severe budget restrictions imposed on the Ministry of Air—and flight safety have been a constant concern. We are convinced that it is necessary to reverse that situation.

Parallel with that, and in light of the experience gained in the recent conflicts, in which the air weapon was preponderant, we have been drawing up plans that are now at an advanced stage concerning the revitalization and acquisition of a number of aircraft and the development/acquisition of more modern weapon systems for our aircraft.

Incidentally, I would like to confirm what I said when I took office concerning the absolute need for us to prioritize the operational area—that is, the Brazilian Air Force segment, which is the reason for this ministry's existence.

[REVISTA FORCA AEREA] Brazil is the only country in the world where the Air Force operates aircraft carried on warships. With the imminent deactivation of the Grumman P-16 Trackers, the FAB will stop operating on board the aircraft carrier Minas Gerais and will also lose its only platform dedicated to antisubmarine warfare. Does this indicate a change in policy regarding the operation of fixed-wing aircraft on board the aircraft carrier, or do you glimpse a solution that will retain our aircraft carrier as an efficient platform for force projection?

[Gandra] The problem is not that of discussing whether the FAB will or will not maintain aircraft with its crews on board the aircraft carrier.

The question that needs to be analyzed—and it is being done in agreement with our Navy—is how the missions accomplished by the P-16's can continue to be carried out. Obviously, those decisions will have to take the priorities of both services and the restrictions of a budget nature into account. So far, there has been no decision on the matter.

[REVISTA FORCA AEREA] The possible deactivation of the P-16's would mark the end of a cycle that began with the Neptune/Tracker pair, and in the near future the FAB will have only the Embraer [Brazilian Aeronautics Company] P-95A/B Bandeirulhas. Meanwhile, there is talk of the possible development of a version of the Embraer 120 Brasilia specifically for patrol missions. Will the future of the FAB's Air Patrol Arm lie with the Bandeirulha/Brasilia combination as far as equipment is concerned, or do you foresee other alternatives?

[Gandra] Developing a version of the Embraer 120 Brasilia for patrol missions is only one of several possibilities. Its chief disadvantage is the fact that major modifications would be necessary to turn the current version into one capable of using the attack weapons essential for antisubmarine warfare. At the moment, the Air Force General Staff is analyzing all possible alternatives. As has already been said, the major obstacle is the availability of funds, since our big priority at the moment is the Light Attack Aircraft (ALX) and modernization of the F-5's.

[REVISTA FORCA AEREA] Fighter aviation is entering a period in which, in the space of 10 years, three of its aircraft types (its Mirage IIIEBR's, Embraer AT-26 Xavantes, and Northrop F-5E's) will already be in the

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process of deactivation. Even though we are in an unfavorable period from the financial standpoint for acquiring modern weapon systems, it will soon be absolutely essential to reequip our first line of air defense. What solutions do you see for that not-so-distant future?

[Gandra] The policy adopted by the Ministry of Air in response to the budget restrictions has led to the postponement of several goals, but without abandoning our objectives. This has involved the extension of timetables for important programs and the revision of numerous contracts. An arduous effort has been made to obtain more funds with which to pay obligations already incurred, and there have even been some delays, as is the case with the AMX program.

Now being worked up are the requirements for the F-X aircraft, the design of which will be aimed at the future replacement of both the FAB's Mirages and its F-5's when the time comes.

Implementation of that program will depend on receiving the necessary funds.

Actually, revision of the Aerospace Strategic Plan should be completed by next December under the coordination of the Air Force General Staff. The purpose is to plan what the Brazilian Air Force or, more accurately, the Ministry of Air will be within the next 20 years. An attempt will be made to substantially reduce the variety of our flight platforms and increase operational efficiency. Of the aircraft we have mentioned, the one that will probably remain active in the FAB the longest is the F-5.

The FAB plans to use the F-5's and Mirages for many years to come. A number of measures have already begun to be implemented to prolong the useful life of their airframes.

We have now completed our own requirements for modernizing the navigation and attack system on the F-5's. Within another two months, we will be in a position to issue an RFP (Request for Proposal) meeting our requirements, but this does not rule out an interest in analyzing proposals for systems that are already completed and tested.

Studies regarding the Mirages, which also need to have their avionics modernized, are at a less advanced stage.

In structural terms, there is still a big potential as far as the continued useful life of the Mirages is concerned, since our aircraft have used up only half of their useful life from the standpoint of fatigue. There is a big possibility that the Brazilian Air Force will keep on using those aircraft until the year 2005.

The first priority would be to favor the choice of a domestically manufactured aircraft. That option unquestionably involves a longer time frame and higher risks and costs. It would only be possible if the national economic situation were favorable.

The next priority would be the manufacture under license of an existing aircraft.

The last priority would be purely and simply to acquire an aircraft abroad. This solution, which is certainly the one requiring the smallest initial investment and a shorter time frame to complete, is doubly disadvantageous for us: it increases dependence on others and does not generate jobs within the country, and it will certainly have quite negative consequences as far as the Brazilian aerospace industry is concerned.

The financial aspect will have a crucial effect on the timing of the decision and, consequently, on the alternative that is chosen.

[REVISTA FORCA AEREA] The FAB has the largest military air transport force in South America, and it has traditionally used its transport arm as a valuable tool in ensuring the integration our country, which is continental in its dimensions. Even today, a large portion of the vast interior is reached and supplied only by Air Force aircraft. Will this continue to be the case, or do you believe that the FAB will move in other directions as a result of the current budget difficulties?

[Gandra] The budget difficulties are truly many. The country is experiencing adjustments that will require sacrifices by all Brazilians. In that context, the Ministry of Air is suffering the consequences in an unprecedented manner, and this is harming the accomplishment of its mission.

But even today, there are regions of the country where FAB support is fundamental—I would even say indispensable. I recently ordered reactivation of the Civic-Social Action (Aciso) missions in coordination and cooperation with the Solidary Community Project. Those missions are eminently social in character, and the military in the Air Force carry them out with much dedication, affection, and pride, as was also done by the intrepid pilots of the National Mail Service (CAN) in the past, having in view their humanitarian character and their value in helping the most needy inhabitants.

There are also specific missions to assist the Amazon Region, chiefly in support of our Army's Border Platoons.

So to sum up, I would say that despite restrictions of all kinds, the FAB is continuing to provide its support today as in the past by integrating this vast country and taking

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a little bit of civilization to the most needy inhabitants. And we are doing so as part of the accomplishment of our duty. So that region, so distant and so vast, will depend for a long time to come on the indispensable support provided by aircraft.

[REVISTA FORCA AEREA] Concerning the operational development of rotary wing aviation in the FAB, how do you see the future of that segment of the service, especially in light of the growth of Army Aviation, where some missions that have been carried out only by FAB units in the past are now being performed by Comavex [Army Aviation Command]? Will the role of the FAB units equipped with helicopters be reexamined, or will they continue to carry out the same tasks as today?

[Gandra] The use of rotary wing aviation is stipulated in MMA 55-24 (*Manual on the Use of Rotary Wing Aviation*), where the operational tasks and specific missions assigned to each of the squadrons operating helicopters are set forth.

The establishment and operation of Army Aviation has in no way changed the policy on the use of rotary wing aviation in the FAB. Actually, some of the missions in support of the ground force that were formerly assigned to the FAB have begun to be carried out by the Army's own aircraft, thus relieving the FAB of that responsibility. Naturally, the resulting surplus is contributing to gains in the FAB's operational efficiency.

As regards the missions assigned to rotary wing air units, those currently being carried out with the Binfa [expansion not given] (airborne missions), like the missions carried out with the ground force, will continue. This will also make it possible to preserve the operational efficiency of the crews, which will be capable of engaging at any moment in joint or combined operations with Army Aviation.

[REVISTA FORCA AEREA] In all these years that the Air Force has existed, what events or situations can you say have characterized it?

[Gandra] As the most remarkable event in my career, I can point with pride and honor at my experience during the two years that I served as aide to the minister of air, General Eduardo Gomes. During that period, besides strengthening my love for the Brazilian Air Force, I learned from that great leader that regardless of how modern any air force's aircraft or equipment may be, its most important element continues to be its personnel.

Brazil: Roundup of Economic Reports Through 10 May

PY1105041096

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 10 May:

BASIC LEADING INDICATORS

FIPE Inflation Rate Reported — The inflation rate measured by the Economic Research Institute Foundation, FIPE, for the month of April stood at 1.62 percent instead of the 0.23 percent registered in March. In other words, it was six times the March one. The inflation rate registered by the Getulio Vargas Foundation, FGV, however, does not follow the same increasing trend. The General Market Price Index, IGP-M, which is measured by the FGV, stood at 0.32 percent and was lower than March's 0.40 percent. The method used by the FGV is very different than that of FIPE, which measures the variation of prices in the city of Sao Paulo, while the IGP-M reflects the average variation of three indexes — the Wholesale Price Index, which represents 60 percent of the IGP-M; the Consumer Price Index; and the National Construction Cost Index. (Rio de Janeiro O GLOBO in Portuguese 7 May 96 p 17)

Industrial Production Drop Noted — According to the Brazilian Institute of Geography and Statistics, national industrial production dropped by 9.3 percent from January to March. Compared to March 1995, when the national economic activity reached its highest level since the implementation of the Real Plan, the drop totals 12.3 percent. In March 1996, the drop was only 0.8 percent, but March has been the fourth consecutive month of decreasing industrial activity. As a result, the industries have already lost everything they had gained with the Real Plan. Sales have also decreased by 5 percent compared to February and have thus interrupted the recovery trend they had experienced in the previous months. The level of use of installed capacity has also dropped by 76 percent and has been the lowest since June 1994, one month before the implementation of the Real Plan. The National Confederation of Industry has reported that, for the 11th consecutive month, the number of jobs has been decreasing; the drop in March was 0.73 percent, and since May 1995 has experienced a cumulative drop of 9.7 percent. Some areas of the economy, such as that of durable goods, however, are in good condition; durable goods experienced a 1.1 percent production growth from January to March. Compared to the same period last year, sales of television sets increased by 43.7 percent and sales of cars by 6.1 percent. The production drop affected primarily those areas vulnerable to the opening of the economy —

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such as textiles, which registered a 22 percent drop, and machinery, which showed a 33.1 percent drop. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 May 96 p 14)

Nickel Production Dropping — From January to March, Brazilian nickel production dropped by 13.5 percent. The three companies that work in the area — Tocantins Nickel Company, Codemian, and Morro do Niquel, which are controlled by the South African Anglo-American group — together produced almost 3,700 tonnes of primary nickel in the period. The Morro do Niquel company had the largest drop in production: 40.5 percent. International demand for nickel, however, has been increasing, and the number of orders received from abroad in April has increased, while prices have remained at a satisfactory level. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 96 p C5)

Trade Balance Deficit Reported — The nearly $139-million cumulative January-April trade balance deficit has been forcing the economic team to review the 2.5-billion real, R, surplus expected for 1996. In April, exports totaled $4.271 billion and imports $3.973 billion. Based on this partial result, economic team experts estimate there will be a $167-million deficit for the March-April period, with an average deficit of $83 million per month. Since there was, in January, a $35-million surplus and, in February, a $7- million deficit, the four-month balance registered a $139-million deficit. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 96 pp A1, A4)

FINANCIAL OPERATIONS

CVRD Gold Mine Producing — The Rio Doce Valley Company, CVRD, put into operation on 2 May its sixth gold mine, at Almas, 300 km from Palmas, Tocantins State. The mine will generate 250 direct jobs and 500 indirect ones. The mine has a potential of 10 tonnes of gold and its yearly production will total nearly 1 tonne, thus granting the company a $14-million profit per year. In his speech during the dedication ceremony, Mines and Energy Minister Raimundo Brito pointed out that 7.5 percent of the Almas population will be working at the mine and "generating development." (Sao Paulo GAZETA MERCANTIL in Portuguese 3 May 96 p A6)

Telebahia Invests in Mobile Telephony — The Bahia telecommunications company, Telebahia, is investing R2.5 million in the installation of 120 km of fiber optic cabling in order to expand its mobile telephony services in the interior of Bahia State. The work is beginning this week and will probably be finished by the end of May. The fiber optic cabling will be buried along the BA 031 and 220 highways, and the BR 324 highway. Telebahia President Sizuo Arakawa has reported that the company plans to install the service in more than 13 towns in the interior of the state, thus increasing to 34 the overall number of benefited counties. Of the R354 million to be invested in the project, R122 million will be earmarked until the end of the year for cellular telephony. The number of phones in operation in the region will thus increase by almost 100 percent — from 130,000 to 250,000 — while the number of cellular phones will increase by 133 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 96 p C6)

Shares of Cellulose Company Sold — The company Souza Cruz S.A. signed, on 8 May, a contract for the sale of 28 percent of its shares in the voting capital of the company Aracruz Celulose S.A. for $250 million. The buyer will be Mondi Brazil Limited, a subsidiary of the South African group Anglo American Corporation, which will pay for the shares in cash. Shares will be transferred to the new owner by June. After the transaction, Souza Cruz will still have 22.4 million preferential shares of the Aracruz company. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 96 pp A1, C5)

FISCAL, MONETARY ISSUES

Economico Bank Reopening Welcomed — Excel-Economico Bank President Ezequiel Nasser has deemed positive the operations conducted during the first day of work at 284 offices countrywide. He said the partial financial balance has been positive in the main Brazilian capitals, and the amount of deposits surpassed that of withdrawals. Nasser added that news of the bank resuming its activites has also been well received abroad and that "Brasil's image abroad is good and the Brazilian Government has very good credit." (Sao Paulo GAZETA MERCANTIL in Portuguese 3 May 96 pp A1, B1)

BC Losses Total Billions — From July 1994 to the present date, the Central Bank, BC, has accumulated a 7 billion reals, R, loss. BC Administrative Director Carlos Tavares wants the national Treasury to absorb this loss. According to him, the BC has had profits in the last few years and the national Treasury used these profits to redeem public certificates. As the administration of exchange reserves has yielded losses in 1995, Tavares suggests that the loss be absorbed by the Treasury. (Rio de Janeiro O GLOBO in Portuguese 4 May 96 p1)

April Treasury Surplus Reported — The positive result obtained by the national Treasury in April has contributed to reducing the monetary base by R1.7 billion in the same month. This is the first time since December 1995 that the Treasury has withdrawn from the economy more than it injected. Treasury Secretary Murilo

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Portugal confirmed that there has been a cash surplus in April, but did not want to reveal how much. GAZETA MERCANTIL has found out, however, that the Treasury revenue in April totaled R8.5 billion and expenditures R8 billion. The federal administration's main expenditure continues to be its nearly R3 billion payroll. In April, however, the administration disbursed large sums in order to pay the six-month interest on the country's foreign debt. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 May 96 p A1)

PRIVATIZATION

Light Privatization Currency Viewed — Although the papers for privatization of the Light and Power company allow the payment of only 30 percent of the value of the purchase in certificates, the company International Brasil Export S.A. can pay 100 percent of the shares purchased at the privatization auction in privatization currency thanks to a preliminary ruling dictated by the Federal Supreme Court, STF. STF sources think it is practically impossible to appeal this decision before 21 May, when the auction will be held. At the end of 1995, International Brasil Export S.A. received R83.435 million in rotten currency. The amount referred to compensation the federal administration owed to the company for work conducted during the construction of the railway stretch linking Apucarama to Ponta Grossa, Parana State. The company accepted the rotten currency with the condition of being able to use it in privatization auctions. (Sao Paulo GAZETA MERCANTIL in Portuguese 3-5 May 96 pp A1, B3)

Eletropaulo Splits For Privatization Purposes — In a few days, the Sao Paulo Electricity company, Eletropaulo, will begin a profound reorganization process in order to prepare for its upcoming privatization. Eletropaulo, which is Sao Paulo State's largest electricity distributor, will be split into eight independent business units: six of them for the area of distribution, one for the area of transmission, and one for the generation of electrical energy. Currently, Eletropaulo supplies 54,716 gigawatts to an area encompassing 13 percent of the Brazilian population and 33 percent of the GDP. The company has 5.8 million customers in 78 Sao Paulo municipalities. They use 22 percent of the energy consumed countrywide. The eight new units will have to report to a sort of virtual holding that will gather the Eletropaulo board and those of the departments that cannot be split. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 96 pp A1, C5)

Chile

Chile: Alarcon Denies Links to Murder of UDI Senator

PY1105015796 Santiago EL MERCURIO in Spanish 9 May 96 p C3

[FBIS Translated Text] The Cuban Government did not participate in nor was it aware of the attack in which Independent Democratic Union (UDI) Senator Jaime Guzman died, although Chilean Juan Gutierrez, who was the son-in-law of Raul Castro, brother of President Fidel Castro, is regarded as the person mainly responsible, from the political point of view, for the attack.

This was asserted to EL MERCURIO by Ricardo Alarcon, president of the Cuban National Assembly of the Peoples' Government, who also flatly denied that the Cuban authorities had any connection with the smuggling of weapons into Chile through Carrizal Bajo and the attack against General Augusto Pinochet on 7 September 1986, when he was president.

When told that it seemed unbelievable that no Cuban authorities were aware of the plan to murder Guzman, in view of the fact that "El Chele" was married to one of Fidel Castro's nieces, Alarcon said: "As regards that case, we had nothing to do with it, nor were we aware of or have any link with it."

He asserted: "People marry, separate, and remarry. One cannot continue blaming nations or governments for the marriages of people or for that sort of thing. That is completely absurd."

Alarcon, the third most important Cuban authority, denied any interest in becoming Fidel Castro's successor. While chatting with EL MERCURIO, Alarcon, either for personal or marketing reasons, appeared much more open than other Cuban authorities in assessing the crisis currently affecting the island, because he did not place the blame for all Cuban problems on the United States.

He said that there will be no discrimination regarding the entry of foreign capital, and voiced his confidence that the foreign pressure on the United States, especially by businessmen who are missing the chance of making good deals on the island, will help the U.S. normalize its ties with Cuba.

After touching rock bottom, the Cuban economy is now experiencing a slow recovery and, according to Alarcon, the collapse experienced by the island can by no means be attributed to the failure of the Cuban system but rather to a deep-rooted worldwide change and the near disappearance of the socialist market, the main supplier of raw materials and recipient of Cuban exports.

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"Which society has failed or which system has succeeded? In truth, there is nothing definite yet," Alarcon said as he pointed out that those countries in which the capitalist system and market economy prevail have still been unable to resolve the many problems affecting society. There is inequality and unemployment, and the impoverished sectors have little access to education and health.

Alarcon explained that today in Cuba there is a clear awareness that the state cannot shoulder every responsibility, but must continue to grant subsidies to guarantee the people a minimum worthy living standard. "We believe education and health are a universal right. It is a philosophical problem, and we do not believe these are areas in which people should seek profit."

As for foreign investments, Alarcon said that an attempt is being made to grant preference to Latin American capital, and Chile may occupy a significant place.

When asked whether there will be any sort of discrimination with regard to entry of foreign capital, with mention, as an example, of the fact that the Cuban people do not know one of the main Chilean investors on the island is businessman Carlos Cardoen, who may uphold principles completely contradictory to the revolution, Alarcon answered: "Either you close your door completely to any investments or you do not discriminate."

He recalled that he opposed any discrimination when the new investment law was discussed in Cuba and said that, despite the current structure, it is almost impossible to determine the origin of the investments. "It would be absurd to judge people. We see no point in doing so and we do not discriminate against anybody, except in cases of national interest," Alarcon added. In his opinion, criticisms with regard to the human rights situation are due to the fact that the United States is behind this issue and is determined to obtain worldwide condemnation despite the abuses that take place in its own territory.

Chile: Alarcon Says Cuba Shows Signs of Economic Recovery

PY1005174496 Madrid EFE in Spanish 1901 GMT 9 May 96

[FBIS Translated Text] Santiago, 9 May (EFE) — Ricardo Alarcon, president of the Cuban National Assembly of the People's Government, said today that his country shows obvious signs of economic recovery and that despite the embargo it is expected that the Gross Domestic Product (GDP) will be 5 percent. Alarcon said at a news conference that in 1995 for the first time the GDP in Cuba showed positive figures getting close to 3 percent.

Alarcon does not believe that the enforcement of the Helms-Burton Law, which hardened the embargo against the government of Fidel Castro, will affect the growth goal. He said: "Cuba will continue to make progress."

Alarcon added that the good economic indicators are not yet reflected in the daily life of the people but he pointed out that the current situation is quite the opposite to the so-called "special period" experienced on the island from 1991 to 1993. Alarcon is confident that Cuba, despite all the pressures, will soon come out of the crisis. He added that the Cuban regime, since it took over power more than three decades ago, had to live under abnormal conditions "bearing all kinds of pressure aimed at its destruction."

He believes that the Helms-Burton Law will not prevent Cuba's development and that despite its enforcement two months ago, foreign investments and the cooperation of the international community continues to flow to Cuba. In this regard, Alarcon pointed out that a project involving mixed Spanish and Cuban capital has just been signed. He also mentioned the investment protection agreement signed with Germany two weeks ago.

Alarcon was also surprised over the stagnation of the dialogue for the signing of a framework cooperation agreement between the European Union and Cuba. He said that Cuba has diplomatic, economic, and commercial relations with all the European countries, except Ireland.

Alarcon also referred to the flights over Cuba carried out from the United States by anti-Castro organizations that led to the shooting down on 24 February of this year of two light airplanes of the "Brothers to the Rescue" Miami organization. After showing plenty of documents about the operations of this group, Alarcon said that Cuba's greatest mistake of the last few years was to trust that the Clinton administration would keep this group under control because it knew the group's activities "quite well and could have prevented them." Alarcon said that Cuba accused the U.S. administration of "weakness, and lack of firmness to enforce its own regulations."

Alarcon also said that on 6 May the International Civil Aviation Organization (ICAO) had to deliver the report on the light airplanes case but it was not able to do it because the United States, according to an ICOA document, has not delivered the documents on this case, which Cuba already did.

Alarcon came to Chile to attend the 25th Congress of the Socialist Party. During his stay he met with political

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and government officials, including Chilean Foreign Minister Jose Miguel Insulza.

Asked if Fidel Castro will come to the Ibero-American Summit to held in November in Chile, Alarcon said that although there is no official confirmation, he is certain Castro "wants to come."

Chile: Daily on Renewed German Interest in Country

PY1005181196 Santiago EL MERCURIO in Spanish 8 May 96 p A3

[Editorial: "German Visit"]

[FBIS Translated Text] The recent three-day visit paid by German Foreign Minister Klaus Kinkel is interesting and valuable for various reasons. The visit, within the framework of a tour of Latin America that included other countries, reveals a renewed interest of the German diplomacy in our continent and dismisses the belief that German foreign policy grants Chile little importance compared to Europe, in general, and Eastern Europe, especially; to the former USSR and the United States. The visiting delegation, in this case, was of the highest level and that has an explicit meaning in the diplomatic language.

During the past century and before the two world wars, Germany enjoyed significant diplomatic and economic presence in Latin America. This presence, however, weakened during the post war era but now, at the end of the century, is showing signs of trying to recover.

As well as the diplomatic aspect are the economic aspects. The globalization of the economies is one of them. Germany, although plagued by unemployment and paying the price of the reunification process, is an economic giant that needs other markets and new fields to diversify its investments. The fully developed countries are, to a great extent, Germany's competitors. Eastern Europe, still fully involved in its difficult reorganization process following the collapse of socialism, has a limited capacity to absorb German activities. Therefore, its renewed interests in Latin America, which has become quite obvious during the past four years, is only natural.

Chile is in a privileged position to meet this interest, especially due to its flourishing and stable economy. This is why a lot was said during Kinkel's visit about the intentions of increasing the flow of investments.

Moreover, the German Government grants understandable importance to the democratic consolidation in Chile and believes that the Chilean governing coalition, to a certain degree, is a political organization similar to its own.

In sum, everything contributes to significantly intensify the level of Chilean-Argentine relations. This is positive and, undoubtedly, will be praised by vast sectors of the public opinion in which the weight of the German culture or their German ancestors is great. It should be assumed that this interest will be free of any political preference or interference in domestic affairs which would, undoubtedly, affect a process which, aside from circumstantial political developments, is of permanent interest for both countries.

Chile: Defense Minister Rules Out Armed Forces Reduction

PY1105032096 Santiago EL MERCURIO in Spanish 8 May 96 p C5

[FBIS Translated Excerpt] Chilean Defense Minister Edmundo Perez Yoma has stated that Chile does not need to reduce its Armed Forces, considering that they are operating with the required minimum capacity to effectively fulfill their dissuasive task.

Perez Yoma made these remarks on 7 May at the Buenos Aires Military Club at the end of the installation of the Chilean- Argentine Standing Security Committee, which he attended in the company of his Argentine counterpart Oscar Camilion.

This commission was created in November 1995 with the objective of increasing confidence between the two countries and promoting meetings at the under secretary level every six months.

After the opening ceremony, Perez Yoma stressed the progress that the bilateral integration process has achieved. He added that 10 years ago, this seemed virtually impossible to achieve at the social, economic, and political levels. He said that this fact has forced Chilean and Argentine defense authorities to reassess the existing ties in order to follow the new trends. He added that within this context, "together we can identify new problems and new areas of interest. We can also undertake joint studies on how to face the ever-changing situations of the 21st century."

Perez Yoma said, however, that this will not result in an immediate reduction in the current number of Chilean Armed Forces troops and equipment because they are operating with a required minimum capacity so as to maintain the necessary dissuasive level." He said: "We do not represent a threat to anybody, much less to our neighbors." [passage omitted]

He also commented on the security issues he discussed with Camilion, among them the various types of problems that can arise, such as conflicts between Argentine

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and Chilean fishing sectors in light of the economic opening.

He said that the newly created commission will have to address this and other matters in order to find overall effective solutions.

Commenting on the Armed Forces participation in drug enforcement, as has been proposed in the United States, Perez Yoma categorically stated that this issue should be handled by domestic security forces, while "the Armed Forces should handle foreign security matters." [passage omitted]

The Chilean delegation that attended the meeting was comprised of Defense Minister Perez Yoma; War Under Secretary Jorge Burgos; Navy Under Secretary Pablo Cabrera; Air Force Under Secretary Angel Flisfisch; Juan Martabit, acting Foreign Ministry foreign policy director; and Chilean Ambassador to Argentina Eduardo Rodriguez Guarachi.

Chile: Army Considers Purchasing Belgian, French Tanks

PY1005233296 Santiago EL MERCURIO in Spanish 9 May 96 pp C1, C4

[Article by Patricio Gonzalez Cabrera]

[FBIS Translated Excerpt] The decisonmaking process with regard to establishing the number and model of the tanks the Chilean Army will purchase to replace its old tanks will probably be concluded by the end of this year. The army's fighting capability is based on more than 200 tanks built in the 1940's, during World War II.

This was confirmed by Defense Minister Edmundo Perez Yoma, who said that during his recent tour of Europe he had the opportunity to observe several types of armored vehicles that could be purchased in the near future for the Army. The consolidation of this purchase would fulfill an old Army aspiration; namely, to purchase its first modern tank since the beginning of the 1970's.

According to the specialized magazine MILITARY TECHNOLOGY, the Army currently has only 21 relatively modern tanks, the French AMX- 30, purchased by the Salvador Allende administration in 1973; some 80 M-24 and M-41 U.S. tanks built in the 1950's and purchased by Chile in the 1960's; and 150 M-51 Sherman tanks — built in the 1940's and modernized in Israel and later in Chile — purchased in 1978 as an emergency measure to solve the serious situation with regard to tanks the country was facing at that time. [passage omitted]

Perez Yoma said that the institution not only seeks to replace the old tanks but also to update an important weapon within the Chilean Army that, for decades, has faced limitations stemming from scarce budget resources.

Concerning the possible candidates, apparently purchase of U.S. (M-60) or Russian (T-72) tanks has already been ruled out because of the national decision to analyze the offers from Belgium (or from any other European country, possibly Germany) of a given number of between 130 and 160 tanks of the Leopard IA-5 type, which are excellent fighting machines. This version of tank is equipped with the most modern system of night vision (thermal and infrared) and with a 105-mm laser-guided cannon.

To this number could be added between 60 and 80 AMX-30 tanks, another alternative for the Army, which could be purchased from France or Spain, with the purpose of completing the small force of this type of vehicle that is operated by the Armored Cavalry Regiment of the Southern Military Garrison. [passage omitted]

Chile: RN Accepts Formula To Achieve Center-Right Pact

PY1005224096 Santiago EL MERCURIO in Spanish 9 May 96 pp A1, A11

[FBIS Translated Excerpt] Valparaiso — The idea of having the center-right united in the next municipal elections has practically been consolidated. National Renewal [RN] leaders and congressmen yesterday praised the disposition expressed by the UDI-UCCP [Independent Democratic Union-Progressive Center Center Union] bloc to structure an electoral pact that would imply a single list of candidates grouped in two subpacts that could compete within that list.

According to RN, the flexibility assumed by the UCCP to organize this type of alliance will help make it possible to garner a large number of votes, guaranteeing the election of more mayors and councilmen, as well as a larger number of regional counselors for the organization.

RN argued that the concentration of votes in one single candidate for the post of mayor must be made in a natural manner; that is, the voters must decide which candidate will receive the largest number of votes in each neighborhood.

RN also claimed that this concentration of votes can be decided by the candidates nominated by each pact, and they will evaluate the situation regarding whether or not it is suitable to support one of them in accordance

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with their personal conditions and electoral advantages. [passage omitted]

In Santiago, in addition to stressing the positive side of having a common list for the sector, UDI President Jovino Novoa said that it is not necessarily the best formula. The UCCP board also expressed a similar argument. [passage omitted]

Colombia

Colombia: Group Threatens To Attack U.S. Citizens

PA1105041796 Madrid EFE in Spanish 0322 GMT 11 May 96

[FBIS Translated Text] Santa Fe de Bogota, 10 May (EFE) — The clandestine group Movement for the Dignity of Colombia today asked OAS Secretary General Cesar Gaviria to reject the presence of U.S. troops at the border with Panama as a requirement to continue the negotiations to release his brother Juan Carlos.

The demand was included in a new communique released by the strange organization, which also warns that U.S. and Panamanian citizens, as well as their interests in Colombia, will become military targets.

The document was received and reported in Santa Fe de Bogota tonight by the "CM& newscast" of the Colombian television, which presented it with another picture of businessman Juan Carlos Gaviria, who is shown holding the Thursday issue of a newspaper.

Juan Carlos Gaviria, brother of Cesar Gaviria, former Colombian president and current OAS secretary general, was kidnapped in Pereira early in April.

In the new communique, which is also signed by "Commander Bochica," the movement's top leader, the clandestine group threatens the United States and Panama because of the virtual agreement these countries signed whereby the United States is allowed to watch the Panama-Colombia border. "If U.S. soldiers trample on our borders, everything originating from the United States or pro-U.S. or anything Panamanian, whether properties or goods, for this very same reason will become our military targets," the note said.

In this regard, the movement has demanded that the OAS Secretary General publicly reject the reported U.S. military presence at the border between Panama and Colombia. "As long as Cesar Gaviria fails to meet this demand, all negotiations to release his brother will remain suspended," the movement warned. It then remarked: "We do not want to have anything to do with personal problems when the homeland is in danger."

The clandestine group also criticized a recent Constitutional Court magistrates' ruling saying an extradition treaty between Colombia and the United States is still valid, although the 1991 Constitution forbids extraditing Colombian citizens.

Alluding to Colombian writer Gabriel Garcia Marquez, recipient of the 1992 Nobel Literature Award, and to whom the movement has addressed some of its demands, the communique said the country faces "a U.S. juridical-military offensive."

Colombia: Group Declares U.S. Citizens 'Military Targets'

PA1105170696 Santa Fe de Bogota EL TIEMPO in Spanish 11 May 96

[Received via Internet]

[FBIS Translated Text] The "Dignity for Colombia" Movement, which 48 hours ago said it would release architect Juan Carlos Gaviria Trujillo once Nobel Prize laureate Gabrial Garcia Marquez guarantees [avalar] his family's income statement, surprisingly made new demands from former President Cesar Gaviria.

In a letter sent to "CM& Newscast" last night, the "Dignity for Colombia" movement asked the OAS secretary general to speak out publicly on U.S. interference in Colombia's domestic affairs.

The letter states that unless Gaviria meets the new demand all negotiations for his brother's release will "remain suspended."

In the letter, purportedly in the hands of authorities, the group, made up of an alliance of drug traffickers and subversives, made serious threats against the magistrates of the Constitutional Court. The magistrates resurrected the issue of extradition to the United States and, after casting a dissenting vote, said that the extradition laws remain in effect by virtue of the international treaties signed by the country.

This is the first time that "Dignity for Colombia" has stated its position in regard to drug trafficking matters.

In fact, in the communique issued last night the organization demanded the resignation of the Constitutional Court magistrates who favored extradition and expressed their total rejection of this measure.

Likewise, in an apparent nationalist tone, the movement declared U.S. and Panamanian citizens and their assets to be military targets if U.S. Marines conduct patrols in areas along the Colombian border.

Finally, they sent a message to the Nobel laureate for literature in which they questioned his position

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regarding the kidnapping of Juan Carlos Gaviria. "(By the way Gabo [Gabriel Garcia Marquez], in view of the imminent legal-military offensive against Colombia by the gringos, do you still have arguments to uphold the Manichean and Lopista [Lopez-like] idea expressed by SEMANA magazine saying that the kidnapping of Cesar Gaviria's brother is a useless abduction?)," the communique ends.

Colombia: Minister Says U.S. Denies Troops at Border

PA1005145896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 May 96

[Telephone interview with Defense Minister Dr. Juan Carlos by News Director Dario Arizmendi; place not given; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Excerpt] [passage omitted] [Arizmendi] Here is a question on a hot issue, Mr. Minister. Regarding the Panamanian Government's announcement of military maneuvers by U.S. troops at the border in Colombia's Darien region, have you already received a satisfactory response from both the Panamanian and U.S. Governments indicating that this will not become another headache?

[Esguerra] Look, I believe that either this issue is not hot or that it has cooled off, because the truth is that we attempted yesterday to determine what this issue actually involved and if this press agency report that became known by some Colombian media and some congressmen was truthful and official.

It was first determined that the U.S. Southern Command had emphatically rejected this report, saying that they had not received, they had not accepted, nor had they thought of accepting this invitation. Moreover, in principle we have thus far assessed through the relevant diplomatic channels that the Panamanian Government has not officially made this invitation either. [passage omitted]

Colombia: Reconaissance Planes Said Sent to Border

PA1105191196 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1838 GMT 11 May 96

[FBIS Translated Excerpt] Radio Cadena Nacional has just learned the following: The Defense Ministry ordered a few minutes ago the dispatching of Colombian military reconnaissance planes to overfly the border areas with Panama in view of rumors of imminent operations by U.S. patrols in the border region.

There is a strict time limit to complete this order. Starting at this time, the planes must fly over the Colombian border areas to make observations. According to what Radio Cadena Nacional has learned, the Defense Ministry will give President Ernesto Samper Pizano on Monday a complete report on the situation in that part of Colombia. [passage omitted]

The president himself will make a statement next week based on this report.

Colombia: Reconnaissance at Border Said Authorized

PA1105201996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1900 GMT 11 May 96

[FBIS Translated Text] This is an up-to-the-minute report. Attention! The Colombian Government has just authorized a special reconnaissance operation along the Colombia-Panama border. This operation will seek to ascertain whether or not rumors are true that U.S. troops, which were authorized by the neighboring country, are ready to counter any attack by FARC [Revolutionary Armed Forces of Colombia] guerrillas.

Today, President Ernesto Samper Pizano authorized Defense Minister Juan Carlos Esguerra to conduct operations to establish whether there are foreign troops in the border area.

Caracol has just learned that the United States assured the Colombian Government that rumors indicating that U.S. Marines were already in the Darien jungle area, where the boundary between the two countries is located, were false.

After this special reconnaissance operation, which will last a few hours, Defense Minister Esguerra will submit a report to President Samper on the true situation in the area.

High-ranking government sources, consulted by Caracol, pointed out, however, that thus far there is no indication that U.S. military forces are in the border area.

The topic heated up last Wednesday, when Panamanian Government and Justice Minister Raul Montenegro said before the Panamanian Legislative Assembly that short-term actions [acciones cortas] in the region had been authorized. However, he later clarified that these actions were routine maneuvers to build schools and other social projects.

This week, as a result of this controversy, the Colombian Senate conducted a debate, which was attended by Defense Minister Juan Carlos Esguerra and Deputy Foreign Minister Camilo Reyes. In this debate, a group of Antioquia's legislators, including Fabio Valencia, denounced the threat of the presence of the U.S. Marines. This accusation had already been made a

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few days earlier in the wake of the problems in Uraba. President Ernesto Samper has said, however, that he has no information on such actions, which were also denied by Panamanian President Ernesto Perez Balladares himself.

Colombia: Senator Praises Decision on Border Operations

PA1105225296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2202 GMT 11 May 96

[Report by Fabio Callejas Ramirez; from the "Caracol's Quarter Hour" news bulletin]

[FBIS Translated Text] Santa Fe de Bogota — Members of Congress today praised the Colombian Government's decision to begin operations at the border with Panama to confirm whether or not there are U.S. troops in that area. Here is Conservative Senator Fabio Valencia Cossio, who promoted a debate on the subject this week in the Senate:

[Begin Valencia recording] I believe the Colombian Government should give reports that have been presented in Congress the attention and preeminence they deserve. There have been cases in the past where the United States has intervened in situations like the one we are currently facing in Colombia. They have invaded countries. Therefore, the current situations in Uraba — not only geopolitical, but also strategical — in addition to other factors affecting the country through the Case 8000, makes us believe that the United States could have a clear interest in occupying strategic positions in both Uraba and San Andres at this time. [end recording]

Colombia: OAS Secretary General Not To Comment on Border

PA1205025496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0000 GMT 12 May 96

[FBIS Translated Text] OAS Secretary General Cesar Gaviria Trujillo stated today that he will absolutely not make any statements that might hurt Colombia or help to deteriorate the country's constitutional system, which protects the rights of citizens. This is how Gaviria reacted to the Movement for the Dignity of Colombia, who in a recent communique demanded that he voice a strong rejection to the possible presence of U.S. troops along the border between Colombia and Panama if he is to expect any possibility of continuing the negotiations to release his architect brother, Juan Carlos Gaviria Trujillo.

Colombia: Presence of U.S. Troops on Border Ruled Out

PA1305002396 Mexico City NOTIMEX in Spanish 2034 GMT 12 May 96

[FBIS Translated Text] Santa Fe de Bogota, 12 May (NOTIMEX) — Colombia today definitely ruled out the presence of U.S. troops along the Panamanian side of the Darien region, located along the border of the South American country.

Colombian Defense Minister Juan Carlos Esguerra said that upon the conclusion of the first flights over the border, the situation is abnormal [as received] and that it was confirmed "there are no foreign troops" close to the Colombian-Panamanian border.

Reports on the movement of U.S. "Marines" along the border began circulating since 8 May when Panamanian Government and Justice Minister Raul Montenegro recognized the presence of U.S. troops in the sector. The authorities have explained that this presence involves military participation in the construction of schools and the enhancement of various social works based on old agreements signed between Washington and Panama City.

According to Esguerra, Colombia has no reason for concern, because relations with the Panamanians are normal, and only routine security operations by the two countries are observed along the border.

The border is located in the heart of the Darien jungle zone, and there is no possibility of land transportation.

Colombian guerrilla groups have increased their operations in the sector, a fact which is causing concern on the Panamanian side.

Admiral Holdan Delgado, commander of the Military Forces of Colombia, confirmed the Colombian Air Force (FAC) flights were normal, and some of them were carried out on 11 and 12 May.

Delgado said: "We could describe those patrols as routine." He said "they strive to protect Colombia's sovereignty and arrest narco-guerrilla groups that have some operation centers in the sector."

The military man said: "We are fulfilling our duty, which is nothing more than to watch and control public order in areas such as the border, where illegal actions occur frequently."

The Colombian A-37 airplanes that carefully overflew the border remained inside Colombian territory, he said. The aircraft remain at the Northern Air Command, which has its quarters at the Caribbean port of Barranquilla.

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Myles Frechette, U.S. ambassador to Santa Fe de Bogota, has said that the reports on the presence of U.S. troops along the border are not true, adding that any action in Panama is part of binational agreements.

Panamanian President Ernesto Perez Balladares has ruled out the possibility that there was a need for such a measure, despite the movements of the guerrilla forces in Darien.

Colombia: Liberal Party Official on Border Decision

PA1305031296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2300 GMT 12 May 96

[From "The Hourly News Summary"]

[FBIS Translated Text] Santa Fe de Bogota — Members of the Liberal Party today described as correct the decision of the Samper Pizano administration to order operations along the border with Panama to detect whether there is a U.S. military presence there. Luis Fernando Jaramillo, a former minister and codirector of the Liberal Party, said the following:

[Begin Jaramillo recording] I believe it is correct for the Colombian Government to make its presence known along the border, not only on the Panamanian side but the country's other border areas.

This function is one that essentially belongs to the Colombian Army. It must defend our country's sovereignty. From that point of view, I think that it is perfectly appropriate for the Army to check it out and that there be total clarity about the reports of the possible presence of foreign troops along our border area next to the Republic of Panama. In this way, our Army can determine whether foreign troops are present in our territory. [end recording]

Colombia: Minister Says Foreign Troops Not Near Border

PA1305010996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0015 GMT 13 May 95

[From the "Caracol Latest News" newscast]

[FBIS Translated Text] Santa Fe de Bogota — The Colombian Government today confirmed there are no U.S. troops along the Colombia-Panama border zone.

Defense Minister Juan Carlos Esguerra said that nothing abnormal was found at the conclusion of the first flights over the border and that it was confirmed there are no foreign troops close to the border between the two countries.

Reports on the movement of U.S. Marines along the border began circulating since 8 May when Panamanian Government and Justice Minister Raul Montenegro recognized the presence of U.S. troops in the sector; nevertheless, he explained later that this involves military involvement in the construction of schools and the continuation of various social works based on old agreements signed between Washington and Panama City.

According to Esguerra, Colombia has no reason for concern, because relations with the Panamanians are absolutely normal, and only routine security operations by the two countries are observed along the border.

Earlier today, Admiral Holdan Delgado, commander of the Armed Forces, confirmed that the flights were carried out between 11 and 12 May with A-37 airplanes from the Northern Air Command headquartered in Barranquilla. The high-ranking officer said the situation along the border is normal despite the presence of guerrilla groups, which regular troops are fighting.

Colombia: Police Commander Confirms 9 Killed in Choco

PA1205052596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0200 GMT 12 May 96

[Report by Gabriel Jaime Salazar; from "The Latest News"]

[FBIS Translated Text] We are reporting on a massacre that occurred tonight in Choco Department. A delegation of prosecutors under police protection traveled to Coredo, Jurado municipality, Choco Department, where nine people were massacred.

Colonel Ambrosio Ojeda, the police commander in Choco, said that the victims have not been identified yet. He added that although the perpetrators of this crime are not known, two FARC [Revolutionary Armed Forces of Colombia] fronts operate in the area. Let's hear Col. Ojeda's account of the incident:

[Begin recording] [Ojeda] At the moment we still do not know who committed this crime or the names of the victims because the police has just left to the area with the prosecutors. I am waiting for them to call me by phone or radio to confirm the information we have.

[Unidentified reporter] Reports from Jurado mentioned nine deaths.

[Ojeda] Yes, I understand there are nine deaths, but we still do not know their identities.

[Reporter] What measures have been adopted?

[Ojeda] The Pacific Naval Force and the Police have reinforced the area. They are now trying to assess the situation.

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[Reporter] This happened in the afternoon?

[Ojeda] Yes, this afternoon.

[Reporter] We understand that it was a large group.

[Ojeda] Yes, we have been told that they were wearing military uniforms. We presume they could be members of a paramilitary group or guerrillas.

[Reporter] [Words indistinct]

[Ojeda] No. As I said, the police, the district police commander, as well as the Pacific Naval Force are there with infantry marine personnel taking care of the situation.

[Reporter] Are you going to adopt any special measures there?

[Ojeda] We are currently assessing the situation. There are no Police or Army in Coredo. Infantry marine soldiers and policemen have been sent there to identify the victims and verify the reports.

[Reporter] [Words indistinct]

[Ojeda] It is a jungle area. There is a clandestine airstrip nearby, known as El Aguacate, which we presume is used by drug traffickers. Two FARC fronts operate there.

[Reporter] So that's the situation. There were rumors about [word indistinct].

[Ojeda, interrupting] No, no, no. We know that two guerrilla fronts operate there, but we never thought or imagined that this would happen; we had no information on this.

[Reporter] We understand that the mayor was also killed in Coredo?

[Ojeda] We are trying to verify that, but we can almost confirm that.

[Reporter] Do you know his name?

[Ojeda] I do not have his name [words indistinct] Cossio.

[Reporter] He was kidnapped?

[Ojeda] Yes, apparently he was kidnapped by members of the [name indistinct] Front.

[Reporter] [words indistinct]

[Ojeda] Three days ago.

[Reporter] We understand that the municipal office in Coredo had paid for protection [estaba vacunada] or something like that.

[Ojeda] No, no, no. The situation in Coredo is that there will be elections for mayor this coming Sunday. The previous mayor was arrested and accused of murder.

[Reporter] I see.

[Ojeda] Yes. A large police contingent and soldiers have been sent there. This was an isolated incident. He was kidnapped, his abductors demanded a ransom of 80 million pesos. Since the ransom was not paid and no one knew where he was, his family asked the police not to act, not to do anything, that they would negotiate with the guerrillas. We were informed this afternoon that he had been killed. [end recording]

Colombia: Investigator for Prosecutor General Killed

PA1005200996 Santa Fe de Bogota EL TIEMPO in Spanish 10 May 96

[Received via Internet]

[FBIS Translated Text] Lucia Acosta de Rodriguez, 76th-district prosecutor and an expert in the investigation of financial crimes, was murdered last night in Santa Fe de Bogota. Just before to her murder, another person was killed in the northern part of the city.

According to police spokespersons and some witnesses, the attack took place at the intersection of 34th Street and 28th Avenue, at approximately 2000, when a man approached the investigator and shot her in the back of the head.

"The initial findings indicate that the official was murdered with a pistol equipped with a silencer, because residents of the nearby area did not hear the shot," a police source explained.

Minutes later, a policeman who worked in the vicinity of the Palermo neighborhood was told of the crime and immediately went to the area to assist the prosecutor.

Later, a citizen traveling in his private car offered to take Rodriguez to the closest hospital. When they arrived, however, at San Pedro Claver Clinic, the doctors said that the prosecutor was already dead.

According to sources at the Prosecutor General's Office, the victim was one of the oldest officials with the Prosecutor General's Office and was working in the Financial Crime Unit.

Meanwhile, moments before the killing, another person was killed at the intersection of 27th Avenue and 80th Street.

"Up to now we only know it is a 29-year-old male who carried an identity card in the name of Rafael Caicedo.

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He has not been fully identified, however," a police source said.

Last night police were trying to establish if there was any connection between the two attacks.

"We still have not been able to establish if there is a connection between the motives for the two killings, because the information in the hands of police is very sketchy," the source concluded.

Colombia: Traffickers Said To Fund Gaviria's Kidnapping

PA1205014396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0000 GMT 12 May 96

[From the "Caracol's Quarter Hour" newscast]

[FBIS Translated Text] Here is an AFP dispatch datelined in Santa Fe de Bogota:

Colombian drug traffickers reportedly masterminded the kidnapping Juan Carlos Gaviria, brother of OAS Secretary General Cesar Gaviria, the NTC television newscast reported today, citing military intelligence sources.

The drug traffickers' objective in kidnapping Gaviria, a 43-year-old architect, was to prevent any possibility that the extradition of Colombian criminals to the United States could be restored with a possible change of government.

According to the sources, drug traffickers of the so-called northern Valle Cartel, a branch of the Cali Cartel operating in the midwestern part of the country, paid 2.3 billion pesos ($2.3 million) to finance the clandestine group "Dignity for Colombia, which carried out the kidnapping.

The clandestine organization is reportedly made up of former members of the three leftist guerrilla groups operating in Colombia.

The television newscast said that investigations conducted by the military intelligence groups revealed that days before the kidnapping, front companies of the drug capos deposited large sums of money in several bank accounts in the city of Cartago, near the coffee zone where the kidnapping took place.

Colombia: Committee Member Urges Questioning of Gaviria

PA1105200096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 11 May 96

[Report by Javier Contreras; from the "RCN Radio Events" newscast]

[FBIS Translated Text] Parliamentarian-investigator Rodrigo Arcila Idarraga told Radio Cadena Nacional that former President Cesar Gaviria Trujillo should be questioned by the Chamber of Representatives as part of the process being followed against President Ernesto Samper Pizano for his alleged responsibility in four crimes for which he was charged by Prosecutor General Alfonso Valdivieso.

Arcila said that the process against Samper Pizano lacks the testimony and tangible evidence to complete the process. Arcila said former President Cesar Gaviria Trujillo needs to testify in the scandal over the narco-cassettes, which were turned in by Andres Pastrana, the former candidate of the New Democratic Force.

The parliamentarian-investigator said the full session of the Chamber of Representatives may request that piece of evidence when the process reaches them, to determine President Samper Pizano's knowledge about the existence of the narco-cassettes a few days before the 1994 elections.

He said a fuller explanation was lacking in this regard because the head of state, in his questioning before the Accusations Committee, said that he knew of the existence of the narco-cassettes a few days after the second round of elections. According to some people, former President Cesar Gaviria gave the former candidate that piece of tangible evidence before 19 June 1994, Arcila Idarraga said.

The parliamentarian-investigator said there is a need to complete the investigation. That is why, if necessary, I will request that piece of evidence at the full session of the Chamber of Representatives, Arcila Idarraga said.

The parliamentarian said that the decision made by the Council of State to suspend the spending ceilings for the electoral campaigns does not mean the investigations being conducted against President Samper for procedural fraud and the forging of public documents must be suspended.

It is necessary for the Council of State, in full session, to make a definitive decision on this matter, because the ruling announced this week was adopted by the 5th Electoral Section, which temporarily suspended the two resolutions establishing maximum spending ceilings for the campaigns, Arcila Idarraga said.

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Even though the ceilings will no longer be limited, it does not mean there were not double accounting records kept during the past election campaign, meaning the forging of public documents, which must be investigated in depth, Rodrigo Arcila said.

In addition, the Accusations Committee of the Chamber of Representatives will decide before 21 May if it will hand down a presumption of innocence ruling or will formally charge President Ernesto Samper Pizano for the crimes of illegal enrichment, conspiracy, procedural fraud, and the forging of public documents.

Parliamentarian-investigator Rodrigo Arcila Idarraga told Radio Cadena Nacional that next Tuesday the three investigating congressmen will meet to draft the document they must submit to the full session of the Accusations Committee within the next two weeks.

Each one of the investigators will submit a draft resolution after conducting an analysis of the entire process. We are going to try to agree on the drafting of a single document to submit it to the full session of the committee, the congressman said.

The parliamentarian-investigator said that, during the discussion of the draft resolution, some of the investigators may dissent or change their positions regarding the charges filed against the head of state. We will try to unify our criteria in order to submit a joint resolution before the Accusations Committee, which has five days to evaluate it before turning it over to a full session of the Chamber of Representatives, Arcila Idarraga said.

Arcila Idarraga said the investigators will continue evaluating the tangible evidence and testimonies in order to determine President Samper Pizano's responsibility in the crimes for which he was charged. In addition, there are discrepancies with regard to the application of the 10 day deadline to turn in the document following the presentation of the allegations by the president's attorney and by the delegate of the Prosecutor General's Office, the congressman said.

Arcila Idarraga said that, following consultations with some criminal experts, it was determined that the 10 days will be working days and not calendar days; therefore the deadline to turn in the report will be 21 May.

Colombia: Accusations Committee Member on Samper Probe

PA1105193896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 11 May 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Although the resolutions that established a campaign expenditure ceiling of 4 billion pesos have been repealed, the charges leveled against President Ernesto Samper Pizano were committed when such regulations were in force. Mario Rincon Perez, member of the Chamber of Representatives' Accusations Committee, has explained that this is why the committee must conduct an in-depth analysis to determine whether Samper's conduct at that time violated the existing law.

The parliamentarian noted that, as a citizen, one expects the decisions made by the authorities to be consistent with the law, so that the population can respect and obey the laws as well. From the viewpoint of a political leader, I think even if the State Council decision does not profoundly affect the investigation, it does give it a strong twist, the representative noted.

Rincon explained that the Accusations Committee is tasked with analyzing all the evidence collected during the investigation of President Ernesto Samper and issuing an opinion. Before issuing an official position, I will insist on the need to analyze all charges filed, including procedural fraud, the parliamentarian who is investigating the head of state added.

Colombia: Senate President on Repeal of Spending Ceiling

PA1005142496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 9 May 96

[Telephone interview with Senate President Julio Cesar Guerra Tulena by Radio Cadena Nacional News Director Juan Gossain and unidentified reporter in Santa Fe de Bogota; from the "The Latest News" newscast — live]

[FBIS Translated Text] [Gossain] With us this afternoon is Senator Julio Cesar Guerra Tulena. Good afternoon, Mr. Senator.

[Guerra Tulena] Good afternoon, Juan. Did you hear the latest news? What is your comment on this?

[Guerra Tulena] I am tuned in to your station. Well, Juan, I peacefully accept the rulings by courts because this is part of the state of law. [two-second break in reception] that were accused, that were challenged from that time, resolutions that were challenged, and the

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Council of State has ruled as it would on any other issue. Colombians must observe and respect this ruling.

[Gossain] I absolutely agree with you on observing that ruling. But the question my colleague Victor Jimenez made to Sabas Pretelt de la Vega is this: Is today's ruling by the Council of State retroactive to the 1994 electoral campaign or will it only be valid for the future?

[Guerra Tulena] No, no, no. It is not only retroactive, but it will be in effect in the future, obviously, because the norms deal with past actions. The resolutions and law on parties deal (?unjustly) with this. These resolutions over spending ceilings for campaigns and private donations were repealed today at the Council of State.

[Gossain] Well, these two resolutions date back to the year 1994, and the two resolutions fell [words indistinct].

[Guerra Tulena] [Words indistinct].

[Unidentified reporter] Dr. Pretelt de la Vega, president of the National Business Council, has said that this news confuses the current political situation. He has termed it a mess. What is your comment on this?

[Guerra Tulena] Well, it all depends. I am located on the landing of a staircase, as a good friend of mine from Barranquilla says. I would rather go down than up.

[Gossain] Senator, thank you very much. You are very kind for granting this interview.

[Guerra Tulena] Thank you, Juan.

[Gossain] Have a good afternoon.

Colombia: Magistrate on Plan to Suspend Campaign Ceiling

PA1005194396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 May 96

[Telephone interview with Dr. Mario Mendez, magistrate-adviser of the 5th Section of the Council of State, by news director Dario Arizmendi and reporters Javier Ayala and Judith Sarmiento in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] What is going to happen with Case 8,000? How will some of those involved in that process, which has the Colombian public opinion in suspense, be benefited or hurt? These are the issues which we have to discuss with jurists following the decision, three votes against one, made by the 5th Section of the State Council following the recommendation made by Magistrate- Adviser Dr. Mario Mendez. Dr. Mendez, good morning.

[Mendez] Good morning, Mr. Arizmendi.

[Arizmendi] Based on what did the Council of State adopt the decision to provisionally suspend the so-called spending ceilings of the election campaigns of 1994?

[Mendez] There were basically two reasons the chamber kept in mind to adopt the decision. The first one was this: According to Article 12 of Law 58 of 1985, the National Electoral Council [CNE] could limit the amounts of money a candidate could invest in his campaign, whether the money came out of his own pocket or that of his family.

However, Resolution 109 of 1994 issued by the CNE established a maximum amount of money a candidate could invest, whether the money came from his own funds, that of his family, and this is the part that was suspended: contributions from individuals or corporations. That is why the Council of State deemed that the CNE could not limit the amount of money coming from individuals or corporations that candidates could use. I am not talking about the money coming from the candidate's own pocket or that of his family. The Council of State deemed that when the CNE limited the amount of money a candidate could receive from individuals or corporations it exceeded its authority. The other reason was the notification provision contained in Resolution 109, as well as in the one that was enacted later on, Resolution 178.

The reason is this: administrative actions of this kind require their publication in order for them to go into effect and in order for them to be mandatory. That is why the Council of State found out that the notification order violated the law because these actions, I repeat, should not only be notified, but should also be published for them to be mandatory.

[Sarmiento] Now that the decision to provisionally suspend the norms in question was made, what is the effect of this Council of State's decision on the investigations being conducted in matters having to do with campaign ceilings and the possible electoral fraud that may have been committed at the time?

[Mendez] I cannot answer that for you. I should only limit myself to informing you about the decision to suspend the effects of the provisions I am talking to you about. What the effects will be on the processes being conducted by other authorities is a matter that will only be up to those authorities, and not to the Council of State, to determine.

[Sarmiento] One thing you could explain to us is: Will the effects of the decision be felt when there is a final ruling or now that the provisional suspension has been ordered?

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[Mendez] As of now there is only the provisional suspension of the effects. The provisional suspension is, of course, a provisional measure that is adopted along with the admission of the appeal. It is the first step that is taken in a process of this kind, but the definitive annulment, better yet, the disappearance of these resolutions from our laws could only take place with a possible ruling stating it, but it is a matter that will be determined by the proper authorities.

[Arizmendi] How long will it take, Dr. Mendez?

[Mendez] It is a process that should be resolved soon. It is a process that is studied in purely legal debates, without the presentation of any evidence, which delays a process. I could not tell you exactly how long.

[Arizmendi] Two or three months?

[Mendez] Three months more or less. It could take a bit longer, of course. It is a process in which a decision must be made one way or the other.

[Ayala] When will the effects of the provisional suspension ordered by the CNE be felt? Could you explain to our listeners about the appeals that may be filed?

[Mendez] This is a decision that, as it normally happens with all judicial decisions, must be notified to the public. it is only after it is notified and firmly established that it will have its effects. After a notification is made, those interested may file an appeal against the decision. This will be up to the 5th Section to review.

[Sarmiento] Finally, Dr. Mendez, will the effects of the provisional suspension decreed by the Council of State be retroactive or future?

[Mendez] The provisional suspension has future effects. A quite different thing occurs with the annulment decrees which have retroactive effects, which indicate that the law was nullified since it was approved, but that is a decision that will only be adopted with the sentence in the proper case.

[Arizmendi] If it has future effects, it means the charges that will be filed by the CNE against the persons involved in the two campaigns will remain in effect?

[Mendez] That is an answer I cannot give you. That is a matter that is up to those authorities to decide in keeping with their autonomy.

[Arizmendi] Meaning, the CNE itself.

[Mendez] The CNE must decide in this regard.

[Arizmendi] The CNE, through its president, Oscar Jimenez Leal, said this morning that he will practically suspend all actions having to do with the ceilings.

[Mendez] That is his opinion. I cannot give you my opinion in this regard. I can simply tell you, as I said so in the beginning, that the Council of State has ordered the provisional suspension of the effects of those resolutions.

[Sarmiento] Magistrate Mario Mendez from the 5th Section of the Council of State, you have been very kind to answer questions made by Caracol Network.

Colombia: CNE To Accept Ruling on Campaign Ceilings

PA1005162596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 May 96

[Telephone interview with Oscar Jimenez Leal, Colombian National Electoral Council [CNE] president, by news director Dario Arizmendi and reporter Judith Sarmiento in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] How does the National Electoral Council President Oscar Jimenez Leal react to the Council of State's decision to suspend temporarily the financing ceilings on the 1994 campaign? Good morning.

[Jimenez] Good morning. First, with respect and due abidance, as should be in a state of law, and with satisfaction. Let me tell you that every time a situation of this sort arises, we, as lawyers and Colombians, can realize there is no official without controls and every legal action can be expunged from the legal system because it violates the system. That is the satisfaction one feels from the legal standpoint.

[Arizmendi] From a legal standpoint, do you agree with that ruling as a lawyer?

[Jimenez] Certainly. I am respectful of a judge's decisions, and all I can do is to agree with them without even discussing them.

[Arizmendi] This morning a newspaper said today that the Council of State's decision makes the CNE into the laughing stock, do you feel that way?

[Jimenez] Not really. If the movie were to end here and we were to remain motionless, then, yes, I would. If, on the contrary, we take advantage of this experience, where the CNE [words indistinct] the issuance of the administrative documents on the ceilings, we have to redouble efforts in Congress to obtain the suitable legal instruments we have requested, based on the law, to ensure Colombians that in the future we will have controls on the harmful influence of big capital in political activities.

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[Arizmendi] What if a reconsideration is requested [recurso de reposicion], how many days does the Council of State have to issue a ruling?

[Jimenez] The procedure is that a legal appeal may be filed five days after the decision has been notified. A decision of this nature is taken as group, so that I will summon the CNE on Monday for the purpose of analyzing with a cool head all the details and [word indistinct] that may ensue from any position we must adopt.

[Sarmiento] Your personal viewpoint is that the CNE will not request a reconsideration?

[Jimenez] I would advise the CNE against it, because we abide respectfully by that decision, and we should rather seek a legal solution. The Congress should overcome the loss of these instruments. Our countrymen have always said that tripping does not constitute a fall.

[Arizmendi] Did you think of resigning as some sectors stated? Why would you?

[Jimenez] I felt, as you said at the beginning, that at one's age one cannot be considered the laughing stock. Things have to make some sense. I also felt immediately the solidarity of the news media and friends, prompting me to realize that a personal opinion is just that. The solidarity of the country and coverage given to these decisions should [word indistinct] to show the Congress we ought to have controls, regulations, restrictions, and severe punishments on political activities so that in the future Colombia's past political irregularities will not be repeated.

[Sarmiento] We need a precise explanation, since not having an electoral spending ceiling is one thing and money from an illicit origin is quite another thing, which is what other legal entities in charge of investigating this issue are debating.

[Jimenez] It is a good thing for a reporter to be a lawyer since, in addition to informing the country well, she has the opportunity to ask for an explanation, as you have done, that is very important for the people to know. These are two different things. The inquiry on the origin of the money continues, but now there is no reason to punish, let alone investigate, anyone who exceeded the campaign ceilings. The origin will also be questioned.

[Arizmendi] Following the Council of State's ruling, with which investigations will the CNE continue?

[Jimenez] In this specific matter, we continue the inquiry on the possible inaccuracies in the accounting reports that should have been submitted or that the presidential candidates failed to submit in the past political campaigns. This has not been discussed and the legality of it has not been questioned. We have, therefore, the obligation to continue it for [word indistinct] reason.

Colombia: Prosecutor on Removal of Campaign Ceiling

PA1005184596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1357 GMT 10 May 96

[Interview with Prosecutor General Alfonso Valdivieso Sarmiento by Caracol News Director Dario Arizmendi, reporter Judith Sarmiento, and unidentified reporter; in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Good morning, Prosecutor General Dr. Alfonso Valdivieso Sarmiento.

[Valdivieso] Good morning.

[Arizmendi] What is your opinion of the decision of the Council of State to suspend, provisionally, the so-called electoral spending ceilings for 1994?

[Valdivieso] With regard to the judicial decision, we have always said — we cannot say anything different at this time — that we observe and respect judicial decisions. However, as for what I feel, I must say that this decision leaves a very bitter taste. It creates a precedent which is not the best concerning the behavior or attitude of those who decided to observe some legal provisions as opposed to those who, on the contrary, chose to dodge these legal provisions and act in a deceptive manner. They acted in such a way in hopes of receiving the benefits from a decision like the one adopted by the National Electoral Council. [sentence as heard]

I believe that this issue must be taken into consideration in this analysis. I repeat, aside from respecting and observing this decision, I must state I believe this is one of the most important range of provisions. Obviously, one of the most creative circumstances — so to speak — in a society is to anticipate the attitude and behavior of those who abide by legal provisions as opposed to those who challenge them.

[Sarmiento] Mr. Prosecutor General, since this is a topic of great interest for our audience, because we need to know what will happen from now on with the investigations, we are going to ask you to remain on the line for a few moments while we present our 0900 headlines. After that, we will be back with you. [pause for headlines]

[Arizmendi] We thank the Prosecutor General for his understanding of the structure of our "Quarter of an Hour" segment. Mr. Prosecutor, we would like to ask: What is the effect of the decision by the Council

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of State on spending ceilings regarding the case and questioning of the president and three ministers. On this, a pronouncement will most likely be made in the next few days.

[Valdivieso] [Words indistinct] know the decision and in this regard, I believe the possible repercussions will be studied. Specifically each prosecutor will analyze the possible consequences of this decision, especially regarding the possible offense of fraud or swindling, as was stated in the suit against the president. These repercussions are no longer the responsibility of the Prosecutor General's Office, but fall under the Chamber of Representatives or Congress.

[Arizmendi] This case...

[Valdivieso, interrupting] I cannot rule out that they will have an effect, but I cannot confirm they will have an effect either.

[Arizmendi] Of course.

[Valdivieso] Of course. I can perhaps refer to the issue of favorability [favorabilidad], because this is a universally accepted issue. But I don't know if that effect may occur in this situation, I repeat, among other things, because I do not know the text of the decision.

[Arizmendi] They first announced that a definition of the legal status of the three ministers — the interior, communications, and foreign minister — would be decided today, then they said it would be next week. Could the Council of State's ruling delay a decision made by the Prosecutor General's Office in this regard?

[Valdivieso] The Prosecutor General's Office has not announced a date for a final decision. I mean, we have not postponed anything. The decision will be made when we have the necessary elements to adopt it. One of them is, of course, the corresponding inquiry, which was already completed. Another one is the practicing of certain tests that have been decreed and that are already in progress. Of course, another element is the prosecutor general's availability. He is learning about the case in order to make a decision. This requires an analysis of the inquiry, an integral examination of the tests, a comparison of the elements contained in the inquiry itself, or in the tests that are being conducted. I hope the decision is made. I think a decision in this regard should be adopted next week; however, I do not want to make any promises, I do not want to commit myself to a date.

[Arizmendi] Will there be a joint statement? Will a determination of the three cases be made known the same day or will a decision on this be announced separately?

[Valdivieso] I frankly do not know what to tell you. It is possible that an announcement could be made separately, but I am not very certain. Once the decision is made known, once the detail of its text is made known, it must be the object of an analysis, an assessment, and an evaluation of its repercussions by the prosecutor in each specific case.

[Sarmiento] I would like to consult your legal criteria in this regard. If at this moment I fool a person in order to obtain economic benefits, I am committing a robbery. If tomorrow, a legal provision suspends robbery as a crime, am I a robber or not?

[Valdivieso] I believe so if, of course, you are caught before the new law is passed. On the other hand, if the new norm is used in the investigation, in the process, and in the sentencing, then you are not a robber. That is my interpretation of the norm.

[Sarmiento] What is your criteria, Prosecutor General, about the criminal intention, about the intention to violate a norm when it is in effect?

[Valdivieso] It is exactly as I say. We must examine the effects of the determination adopted by the Council of State; I am talking about the norms typifying crimes, mainly procedural fraud, theft, and the forging of private documents. I believe this is the specific point. A decision to abolish or to change a penal law was not made here. A decision was not made to modify a penal law. You could find certain effects on the elements that constitute the law; this is what must be confronted; this is what should be discussed in judicial debates; and this is what should be evaluated by the prosecutor in charge of each specific case.

[Unidentified reporter] Is it true, Mr. Prosecutor General, that in the past few hours you issued a resolution eliminating faceless judges as the news media have reported?

[Valdivieso] No, this is absolutely false. Frankly, however, this gives me the opportunity to reiterate that news should be handled more responsibly, particularly in the formulation of headlines. The statement that was used as a news headline was, in my opinion, alarming and aberrant, of course. This statement made it possible for a newscast to announce the night before that the prosecutor general had decided to [word indistinct] regional justice. I did not create it, and therefore I cannot eliminate it. On the contrary, I believe that if anything could be used as a news headline for such a report it is: until it can adequately operate under the current relevant regulations.

Article 158 of the Criminal Procedure Code provides that a decision regarding the confidential identity of the

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prosecutors who handle cases that fall under the jurisdiction of regional judges would be left to the prosecutor general's discretion. In my opinion, former Prosecutor General Dr. Gustavo de Greiff's interpretation of this concept of discretion was that confidentiality prevails in all cases. Therefore, I could not take the extreme position of saying that there will be no confidentiality at all.

What I have said is: As Resolution 0973 of 9 May 1996 states, confidentiality will only be established in those cases where valid reasons justify the need for such confidentiality. Therefore, confidentiality will be established. I believe, this is precisely what regulations actually demand: to protect the prosecutors' physical safety and to keep them away from any risk, corruption, or threat. However, confidentiality is not justified in cases involving individuals, circumstances, and facts that do not represent any risk to personal safety. This is the situation. Of course, I believe that regional justice does continue and should continue in force. What the Prosecutor General's Office has done is to become more realistic and, of course, it has more properly interpreted the Criminal Procedure Code and Colombia's reality.

[Unidentified reporter] What does the Prosecutor General's Office know about the murder of the financial crimes prosecutor?

[Valdivieso] Right now, we cannot speculate. We were very much amazed at the killing of this prosecutor. By the way, she was not a regional justice member. She acted as a prosecutor before the circuit judges of the Santa Fe de Bogota section and, I believe, she was a member of the Financial Crimes Unit. Let us say that she handled cases that may not be considered, at least at first, as a reason for this unfortunate action.

[Sarmiento] Yes, however, do you know if she had been threatened, Mr. Prosecutor General?

[Valdivieso] This cannot be determined right away. Therefore, we cannot inform you of anything else right now. However, we will examine all of the hypotheses. As is natural, we the members of the Prosecutor General's Office are greatly moved and saddened by this incident, because this attack affects justice [word indistinct]. This greatly hurts us.

[Arizmendi] Over the past few hours, there have been rumors circulating that the Prosecutor General's Office will grant house arrest to former Defense Minister Fernando Botero at his apartment. Has he already made this request? If he does not make this request, could house arrest not be granted then?

[Valdivieso] No, house arrest cannot be granted at all if he does not make this request. We must reiterate that in many cases it is viable to grant home arrest as a custodial measure instead of keeping the individual in prison. In many cases, house arrest has been accepted, while it has been denied in other instances.

This depends upon the relevant prosecutor's [fiscal de conocimiento] assessment of this request. As has been often said, this differs from the case in which house arrest is granted as a benefit for cooperating with justice. That was Santiago Medina's case. However, the truth is that it would be absolutely amazing so to speak to tell Botero: Go home now and we will watch over you there as a prison. This cannot be possible. In my opinion, [words indistinct] about the prevailing conditions at this military installation...

[Unidentified reporter, interrupting] Hmm.

[Valdivieso] ... that affect the regime to which Dr. Botero is submitted. [Words indistinct] This is under examination. It pertains to the government, the Justice Ministry, and Inpec [National Prison and Penitentiary Institute] to establish these regulations, including the possibility of transferring him to another prison. For this purpose, duties and functions have been assigned.

[Arizmendi] Should the Prosecutor General's Office authorize this? That is, can the Justice Ministry, Inpec, and the government order Botero's transfer to another prison without the authorization of the Prosecutor General's Office?

[Valdivieso] This has been done in many cases. Of course, many so-called reasons have been used. This can done. Obviously, the Prosecutor General's Office can also make this request. However, thus far we have believed that this was unnecessary.

[Arizmendi] The military men have protested; they claim this is no prison, that Botero's presence and his way of life have completely altered their internal regulations and social conditions, because many of them live there. What is the Prosecutor's General's Office opinion on this complaint by the high commands?

[Valdivieso] I think the government must discuss this issue, because, after all, the military forces, Inpec, and the Justice Ministry are also part of the government. This is a strictly government issue, and I think it should be handled as such, and of course, it should be solved as such. The Prosecutor General's Office has repeatedly said it is not responsible for security [cuidado] and regulations.

The Prosecutor General's Office has very specific duties. It authorizes visits, for example, access to the media, but it is not responsible for monitoring and applying regulations that must exist in these cases. Detained

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persons in Colombia are not held incommunicado; their rights must be respected. This has always been defended.

[Arizmendi] Does a detainee such as Dr. Botero have the right to write a weekly column such as the one he writes that is titled "From My Cell" that has mortified the national government so much? Does the government have instruments or regulations to ban him or any other detainee under his same situation from doing so?

[Valdivieso] This is a very delicate issue. There are no regulations that expressly govern detention sites other than prisons. There are legal obstacles to the establishment of a regulation that is, let us say, [words indistinct] beyond individual rights. I think, however, that there are instruments or possible ways to regulate this type of publication. I think they can hardly be banned completely without violating current laws. In other words, within the current legal framework, this activity could be regulated but not completely banned.

[Arizmendi] According to what you just said, a book by journalist Alberto Giraldo, whose circulation was banned, would have to be authorized.

[Valdivieso] Yes, I have frankly not found much justification for banning it. This is my opinion. These persons are not held incommunicado; they have rights. We would have to see what was the justification or motive behind the action; whether it was related to Law 65, I think, that governs the current prison system. It applies to persons housed in prisons, and this regime is not complete or fully applicable to persons housed in sites other than prisons.

[Unidentified reporter] A person who loses his freedom also loses his freedom of expression?

[Valdivieso] No, he does not. He is not held incommunicado; he still has rights. The cases of Fernando Botero and others are among the most difficult to handle in this regard.

[Sarmiento] We understand your juridical explanations, but with all due respect, I will ask you a question posed to me by a taxi driver yesterday. He said, Mrs. Judith: Why are common people sent to prison while ministers are sent to cavalry schools, police stations, and other places?

[Valdivieso] The taxi driver has a point, but there are express regulations in our legislation giving protection to persons who have served in certain capacities. This not only pertains to privileges but also to the duties the person performed. A person who made decisions related to the Judicial Police, according to the Penal Code, cannot be housed in those detention centers. That is the case of many of these officials. Housing them there would pose a very serious threat to their personal safety. This is contemplated by the current regulation.

[Arizmendi] Hypothetically speaking, if one, two, or three of the ministers were taken into custody, could they be granted house arrest?

[Valdivieso] Granting house arrest over prison arrest would be a possibility. They could also enjoy house arrest in the hypothetical situation that they cooperated with justice, and this is a right that every person without exception can enjoy.

[Arizmendi] Can they request this?

[Valdivieso] Of course.

[Arizmendi] Can the Prosecutor General's Office legally grant this if it deems this to be advisable?

[Valdivieso] Yes, but the respective prosecutor will decide whether to grant or deny this request.

[Unidentified reporter] What party will you be attending this weekend? [laughter] Besides being a good prosecutor, you happen to be a good dancer.

[Valdivieso] To a Mother's Day party. [laughter]

Colombia: Article Reports Samper Unlikely To Resign

96SM0287A Santa Fe de Bogota SEMANA in Spanish 7 May 96

[Received via Internet]

[FBIS Translated Text] Last week, the front page of CAMBIO 16 carried the headline, "This is How De la Calle's Government Will Be." Reporter Juan Lozano, in his column on Monday, advised the president of the republic to settle in Zaire after his retirement. Fernando Botero, for his part, thinks that Costa Rica would be a more appropriate place than Zaire for that exile.

Because of comments such as these, many Colombians are convinced that Ernesto Samper's government is reaching its end. The impression is that, as soon as the Chamber of Representatives exonerates the president, it will be so obvious that the situation is unmanageable that Samper will decide to retire.

This scenario has a soothing effect on the Colombian ruling class, which is finally beginning to see a light at the end of the tunnel. Nevertheless, there is one member of that same ruling class who is not totally convinced of the merits of this solution: Ernesto Samper Pizano. Hence, all those expecting to turn on their television sets on the night of the acquittal to hear the heroic speech in which the president announces that, with his penal

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situation clarified, he has decided to put the country's interests ahead of his personal interests, could be left feeling chagrined.

The genuine Samperologists are reaching the conclusion that the president associates acquittal more with continuance than with retirement. In the view of the anti-Samperists, headed by Fernando Botero, this means (as the ex-minister stated in his article "From My Cell" last Tuesday) that the elephant will end up converted into a rabbit.

The fact is that the political situation in Colombia today is totally obstructed. There are three key players in this episode: the president of the republic, the vice president, Humberto de la Calle, and the ruling class. And each of them has assumed positions that have proven incompatible with the views of at least one of the other two. The president has not seriously considered his resignation, unless he is defeated in a popular referendum. In favor of not resigning, he argues that his departure would not resolve the crisis, and would even exacerbate it. Not to mention the fact that, in private, Samper claims it to be unacceptable for Humberto de la Calle to be his replacement. The vice president, for his part, has made the irrevocable decision that he will not resign for any reason. In the letter that he sent to the three Liberal Party directors who visited him in Madrid two weeks ago, De la Calle told them that the crisis should be surmounted through "simple procedures that do not entail delays," adding that the Constitution clearly stipulates "the methods for succession." Put bluntly, this means that he is not aiming for the referendum, nor does he intend to leave the vice presidency. And, insofar as the ruling class is concerned, it has already tacitly reached the consensus that it is unwilling to accept a popular referendum, and that it would be highly improper to exchange the constitutional vice president for an alternative selected by the Congress. Likewise, at the summit held on Monday night at Narino House, the guild leaders visiting Samper, in an unprecedented act, formally requested his resignation, indicating to him that, while it was true that he wanted to seek a solution based on consensus, the referendum was not the most suitable means. As one of them told him: "Deepening the division with a vote is quite the opposite of building a consensus."

Radicalized

All three positions have valid arguments. Samper thinks that a president exonerated by Congress (which is his natural investigator, the one deciding whether to send the case to the Supreme Court for judgment), and supported by half of the country, has no reason to resign from his position on account of a coalition of political enemies who do not represent the majorities. From a conceptual standpoint, the argument is valid. However, he fails to consider the fact that, although the polls measure the number of opponents, they do not gauge the intensity of the opposition. It is normal in any country for half of the population to be in favor of the government, and the other half to be opposed to it. This bears no resemblance to what is happening in Colombia. Here, according to Napoleon Franco's poll released by RCN [National Radio Network] last week, 51 percent of Colombians want the president to remain in office, while 49 percent want him to resign. Having half of the country demanding that a president leave office is an unprecedented situation in Colombia, especially in view of the fact that, just two months ago, only 35 percent of those polled were inclined to favor the head of state's resignation: an indication that this trend is on the rise. As a rule, governments are unpopular, even more unpopular than that of Samper, but this has never been translated into such a collective sense that the government must necessarily fall. The only exception was General Gustavo Rojas Pinillas' administration, which had neither legitimacy nor a fixed term. This is why the claim that the situation is manageable because half of the country wants the president to remain is a fallacy.

It is also necessary to take into account the fact that, although public opinion is divided in two (including the trade union organizations, as was demonstrated on May Day), the same thing does not apply to the ruling class. The latter is almost totally positioned on just one side: that of those demanding the resignation. And, although it is possible to govern with half of the public opposed, it is virtually impossible to do so against the entire ruling class. Although this situation has not yet finished assuming a definite shape, many observers believe that it will become a reality on the occasion of Samper's exoneration by the Chamber of Representatives. It is completely illogical to associate a verdict for acquittal with a demand for resignation, but the Colombian ruling class is reaching that point.

As for the vice president's position, it is quite clear. The presidential succession does not depend on personal friendship nor individual whims. It is a matter defined by the Constitution and not by the acting president. If Ernesto Samper deemed him the best candidate when he chose him as his vice president, to obtain votes against Andres Pastrana, it is impossible for the president to regard him now as the worst choice for assuming the responsibilities of that office. The president has used various methods in his attempt to prompt the vice president's resignation. His own brother, Juan Francisco Samper Pizano, broached the subject personally with

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De la Calle at the end of last year. During its visit to Madrid, the National Liberal Directorate, headed by Emilio Lebolo, sounded out the vice president regarding the possibility that, if he resigned, Samper might even name him interior minister or chief minister of state in a cabinet of Liberal unity. These suggestions have been flatly rejected by De la Calle who, after feeling frustrated as vice president without functions in Bogota, is more comfortable in his current national reserve position abroad.

The Colombian ruling class has undergone a change during this entire process. Although, at the outset, it was receptive to hearing different solutions, such as the vice president's resignation, early elections, or the popular referendum, it has become radicalized with the passage of time. Today, no influential member of the entrepreneurial class considers it fitting for extraordinary means to be used in deciding Ernesto Samper's fate. The idea of the popular referendum is debatable in the world of the political class, but not in the world of Hernan Echavarria, Sabas Pretelt, Augusto Lopez, and Hernando Santos, in which it is rejected outright. In those circles, there is the conviction that the crisis would be exacerbated if the Constitution becomes negotiable. Harmful precedents for the future could emerge: for example, the one whereby, every time a president feels challenged, he should set out to hold a popular referendum, so as to obtain approval, with the ever present temptation to use the immense power of an administration to sway the vote in his favor. There is also the possibility that, whenever the vice president falls into disfavor with the president, the latter could replace him at will, or move the elections ahead to avoid being succeeded by him. Colombia is a country inclined toward chaos, in which the only institution traditionally respected has been the presidency. Even those who believe it to be a moral imperative for the government to fall consider it important not to weaken the presidential institution for the future as a result of this fall. For all these reasons, neither the groups, the guilds, nor the media accept the handful of solutions for emerging from the crisis that Samper has attempted to bring up for discussion. Evidence of the radicalization of certain sectors of the ruling class was the departure, amid hissing and shouts of "resign!", of between 50 and 100 delegates attending the Banking Convention in Cartagena on Friday, when the president appeared at the Convention Center to bring the event to a close.

The Right Approach

These three radical positions have led to unexpected extremes. Ernesto Samper prefers to remain entrenched at the Presidential Palace, as Salvador Allende did in Chile during 1973, rather than give his enemies the satisfaction of resigning after being acquitted, and turning the government over to the "conspirators" on a silver platter. In his last column, "From My Cell," Fernando Botero recalls a conversation that he held with Samper, in which the latter told him: "The only thing that I would never accept is to resign so that De la Calle could succeed me. It would mean giving the victory to Gaviria, Pastrana, the Americans, and all my enemies."

To make his message clear, the president of the republic notified television viewers last week that he was ready to resort to the class struggle rather than leave doffing his hat. In a speech delivered in a defiant, populist tone, Samper used comments such as: "The Social Leap is not mine, it belongs to all of you, and it is you who must defend it."

In other words, Ernesto Samper Pizano has moved into the trenches. "Here I am, and here I stay," he reiterated at the end of last week. With his pleasant manner and trickery, the president counteracted the various delegations attempting to make him see the light. All those with whom he spoke reached the conclusion that Ernesto Samper is not writing his resignation speech for the month of May. His stance is unrealistic, reflecting excessive self-assurance in the face of a hopeless situation. But the stance of those who believe that, because Samper is on the ropes, they can knock him out, is unrealistic as well. All the attempts to trap him have proven counterproductive and, therefore, it was perhaps better that the guild leaders who called for his resignation last Monday left the doors open to continue talking with him.

The serious aspect of the situation is that each one of the three parties involved in this drama is quite correct, but two of them expect that Samper will be the only one who yields, and that, as a result of his acquittal in the Chamber, he will submit his resignation. This might be desirable, and could even be the only solution for starting to emerge from the crisis. However, what is certain is that it will not be obtained as a unilateral demand from a proud man, who also has the power of the presidency available to him. As the outgoing finance minister, Guillermo Perry, remarked in Cartagena on Thursday: "This must be done using the right approach."

Ecuador

Ecuador: General Implicates Argentine Army in Arms Deal

PY1005183896 Quito Voz de Los Andes in Spanish 1700 GMT 10 May 96

[FBIS Translated Text] Ecuadoran retired General Marco Villa said today that the Argentine Army Gen-

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eral Staff was directly involved in the sale of weapons to Ecuador during the military conflict with Peru over their common Amazon border region early in 1995.

Villa, who participated in the claim made by Ecuadoran arms dealer Roberto Sassen to the Argentine Military Industries (FM) for not fulfilling the order, said that he was assured by the Argentine Embassy in Quito that contact would be made with the Argentine General Staff.

Villa, who confirmed that he held a meeting in Quito with Argentine military attache Hugo Molinari, said that Molinari assured him he would be put in contact with Army representatives in Buenos Aires for solving the problem related to the claim.

Villa said: Molinari told me to wait for a call from the Argentine Army General Staff. I asked who will be the person contacting me. Molinari told me he did not know who but that anyone who called had enough authority for solving the problem. We waited for the call all day but never came.

(Madrid EFE in Spanish at 1501 GMT on 10 May reports that Villa confirmed that he was in Buenos Aires with Sassen to demand the fulfillment of the contract because Sassen asked him to become an advisor. Villa also made clear that he never represented the Ecuadoran Armed Forces because he is a retired officer. He said that it would not be logical "to think that a retired officer would go on behalf of the Ecuadoran Armed Forces Joint Command.")

Ecuador: Leoro To Meet Tudela in Buenos Aires

PY1105010596 Quito Voz de Los Andes in Spanish 2300 GMT 10 May 96

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco has announced that the next meeting with his Peruvian counterpart Francisco Tudela will be held in Argentina, but that the date for the meeting has not yet been set:

[Begin Leoro recording] We have not set the date. We have discussed the acceptance of Buenos Aires as the site of the meeting. So far we only have problems with setting the date, because there are many conferences, and we have to coordinate with the guarantor countries, which are co-participants. This is just a maatter of trying to find the necessary space for this meeting. I hope it will be held by mid-June if not earlier, as soon as possible, provided that we find the time for it. I want to stress the fact that we have meetings scheduled for 26 February [as heard] in Cochabamba, and on 4 June we have the OAS conference in Panama; that is, there are many meetings scheduled for the coming months. The great conference of the Pacific Basin countries will also be held in Washington. Ecuador has a special interest in that meeting, and I have to attend it also. [end recording]

Ecuador: Group To Establish Position on Peru Installed

PY1105032896 Madrid EFE in Spanish 2355 GMT 10 May 96

[FBIS Translated Text] Quito, 10 May (EFE) — Ecuadoran Foreign Minister Galo Leoro Franco today named a support group comprising three Ecuadoran personalities that will have the mission of establishing the proposal Ecuador will take to the negotiations to find a final solution to the territorial dispute with Peru.

The talks are scheduled to take place in Buenos Aires on a date not yet specified, by mid-June, following a resolution issued by the foreign ministers of Ecuador and Peru, Galo Leoro and Francisco Tudela, respectively, after the meeting held on 23 February in Quito.

"We have to find a space" in the agenda of activities to set a precise date for the meeting of the foreign ministers in Argentina, Galo Leoro said, referring to the tight schedule of activities of the Latin American diplomats.

The working group is comprised of veteran diplomats and scholars of the Ecuadoran-Peruvian territorial conflict: Manuel de Guzman Polanco and Galo Garcia Feraud, illustrious analysts of the problem, and former Foreign Minister Rafael Garcia Velasco. They will act as ambassadors of the national foreign service.

One of the activities the group will carry out is "interpreting the respective studies and positions that might serve for the defense of Ecuadoran territorial rights," and, in cooperation with the Foreign Ministry, "it might conduct the investigations and research regarding the impasses, before the main negotiations with Peru."

The installation ceremony was chaired by Ecuadoran President Sixto Duran-Ballen, who talked privately for almost half an hour with Leoro at the Foreign Ministry.

Leoro said: "The three illustrious Ecuadoreans are coming to give us the contribution of their knowledge, patriotism, commitment, and cooperation for the defense of national interests." Leoro did not rule out the possibility of later including "several ambassadors who have rendered important services to the country."

Speaking on behalf of the recently designated advisers, Garcia Velasco said that "no Ecuadorean could refuse giving his contribution to the Foreign Ministry when it is trying to find a solution to the most serious problem

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Ecuador has encountered from its independence to this date."

This group will begin working immediately and will have the direct support of Foreign Minister Galo Leoro, although its activity can last up to 10 August 1996 at the most, when the government term of conservative President Sixto Duran-Ballen will end.

Ecuador

Peru: Removal of Argentina as Rio Guarantor Urged

PY0705222796 Madrid EFE in Spanish
0015 GMT 7 May 96

[FBIS Translated Excerpt] Lima, 6 May (EFE) — Peruvian military sources reported today that Argentine veterans of the Malvinas [Falklands] War have unveiled the illegal sales of Argentine weapons to Ecuador during the 1995 war between Peru and Ecuador. [passage omitted]

The first voices of protest have been heard at the Peruvian Congress over the slowness of the investigations by Argentine officials and over the apparent participation of these officials in that scandal.

Harold Forsyth, congressional spokesman of the Union for Peru Movement (UPP) — the largest opposition force — has said: "Argentina may lose its position as Guarantor of the Rio de Janeiro Protocol if it fails to report on the results of investigations into the arms sales to Ecuador."

The 1942 treaty of "peace, friendship, and limits" established the current Ecuadoran-Peruvian borders and serves as the legal basis for Argentina and the other guarantor countries — Brazil, Chile, and the United States — to participate in the peace process between Ecuador and Peru.

Forsyth regretted that Argentina has participated in "an event of that nature," recalling that in 1982 Peru "granted unconditional military aid to that sister nation during the Malvinas War."

Congressman Freddy Gilardi, of the opposition American Popular Revolutionary Alliance (APRA), said his party will immediately submit a motion to Congress to issue a statement on the Argentine weapons case.

Gilardi said: "So far we have respected the consensus among all parties not to discuss the issue, seeking to avoid any attitude that could tarnish relations between two sister nations, but everything has a limit."

He thus referred to the continuous emergence of new evidence on the case which confirms that Argentine officials were aware of the sales of weapons and ammunition, and that there is no "political willingness" to clear up the case.

Peru: Officers Accused of Spying for Ecuador Sentenced

PY1005145296 Madrid EFE in Spanish
0019 GMT 7 May 96

[FBIS Translated Text] Lima, 6 May (EFE) — A Peruvian court today sentenced to 25 years imprisonment two Peruvian Navy noncommissioned officers after finding them guilty of spying for Ecuador in exchange for personal benefits.

The sentenced individuals are noncommissioned officer on active duty Olger Moran and retired noncommissioned officer Agustin Cruz, who were arrested two weeks ago carrying secret information in Tumbes Department, on the border with Ecuador.

A spokesman of the Navy Judicial Zone said that the two officers confessed their crimes and said they will serve their sentence in the maximum security prison at the naval base in Callao Port, Lima.

During the trial it was established that Olger Moran obtained information on the deployment of troops and weapons from the Infantry base "El Salto," in Tumbes, and handed it over to Ecuadoran military officers through Agustin Cruz.

In exchange, they confessed, they received some $200 each.

Another similar case of espionage, involving the Peruvian "witch doctor" Felix Camizan, will be heard by a civil court in Lima.

Last weekend the Peruvian television broadcast photographs of Camizan with Ecuadoran secret service agents and an Ecuadoran military report mentioning the witch doctor as a "stool pigeon" in Peru.

Ecuador and Peru waged an undeclared war in January and February 1995, as a result of a border dispute in the Amazon jungle.

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